FINANCIAL TIMES

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EEC chases the phantom of free internal trade, Page 2

NEWS SUMMARY

GENERAL

Missiles arrive next month

U.S. cruise and Pershing missiles are expected to arrive in Europe towards the end of November, immediately after the Bundestag has held its crucial debate on the issue.

According to senior U.S. officials, 32 cruise and nine Pershing 2 missiles are ready to be airlifted from the U.S. to Britain, Italy and West Germany. However, the actual timing of the arrival is giving problems. Page 16.

In the U.S., police arrested 1,200 demonstrators around the country for strewing ashes, climbing fences and lying across roads in protest at deployment of the missiles.

Car bomb alert

French police and security forces have been alerted to look out for an Italian-registered red Citroën car believed packed with explosives and being driven somewhere in France.

Madrid tightens up

Spain's Socialist Government has been forced to harden its line on terrorism following increasing Basque violence and behind-the-scenes pressure from military leaders. Page 2

De Lorean delay

The trial of John De Lorean, former car chief, on charges of drug trafficking has been postponed a week while defence lawyers prepare motions for dismissal of all charges. Page 8

Greece alleges plot

Greece's Prime Minister Andreas Papandreou said there is an international plot based in the U.S. to sabotage the Greek economy and bring down his Government. Page 2

Ambassador shot

A gunman shot and critically wounded Jordan's ambassador to India as he was walking home to lunch in Delhi's diplomatic quarter. Page 4

Explosion kills five

Five people died and 16 were injured when a gas explosion ripped through the Royal Darroch Hotel, Aberdeen, Scotland.

Berlin match fears

West Berlin is posting 6,000 police around its soccer stadium and another 10,000 through the city tonight following threats of neo-Nazi violence when Turkey plays West Germany in the European championship. Page 3

Soviets 'killed 100s'

Western diplomatic sources in Pakistan said several hundred people were killed earlier this month in a five-day Soviet bombardment of the Afghan village of Istalef, north of Kabul.

Heath denies claim

Former UK Premier Edward Heath said there was no truth whatsoever in allegations made in a court case that he had appeared in pornographic photographs.

Riot over train

More than 5,000 Sao Paulo commuters, angry because their train was half an hour late, burned a police car, looted a nearby supermarket and hurled stones at three trains in the station.

Briefly...

Oleg Bitov, editor of Moscow weekly Literary Gazette, fled to Britain.

Belgian police seized 30,000 bogus Smurf dolls covered with a paint harmful to children.

BUSINESS

France steps up shipyard subsidies

● FRENCH Government is planning to inject FFr 650m ($81.7m) in additional subsidies into the country's shipbuilding industry, following a 50 per cent slump in new orders in 1982. Page 16

● BONN CABINET will make another effort today to rescue the planned merger of the Thyssen and Krupp steel interests. Page 16

● WALL STREET: the Dow Jones index closed up 3.46 at 1,252.44. Report, Page 25; full share listings, Pages 26–28

● LONDON: FT Industrial Ordinary index gained 3.7 to 689. Government Securities moved higher, reflecting confidence over containing government spending. Report, Page 29; FT Share Information Service, Pages 30–32

● TOKYO: Nikkei Dow index fell 27.39 to 9,232.77. Stock Exchange index rose 0.1 to 676.07. Report, Page 25; leading prices, other exchanges, Page 28

● FRANKFURT: Commerzbank index rose 18 to a 23-year high of 1,017.5 on the improvement in prospects for increased share earnings. Report, Page 25; leading prices, Page 28

● DOLLAR rose to DM 2.6075 (DM 2.6065) and was unchanged at FFr 7.955 but fell to SwFr 2.116 (SwFr 2.1175) and Y232.5 (Y233.25). Its Bank of England trade-weighted index was 126 (126.3). In New York it closed at DM 2.6050; FFr 7.95; SwFr 2.1152 and Y232.30. Page 35

● STERLING fell 5 points to $1.499, was unchanged at DM 3.91 but eased to FFr 11.9225 (FFr 11.925), SwFr 3.175 (SwFr 3.1775) and Y348.75 (Y350). Its trade-weighting was 83.5 (83.6). In New York it closed at $1.498. Page 35

● GOLD rose $2.5 in London to $398.625. In Frankfurt it rose $3.25 to $398.25 and in Zurich $4 to $398.5. In New York the Comex October settlement price was $397.5 ($398.3). Page 34

● SWEDEN'S Finance Minister announced new taxes on share transactions. Page 17

● AIRLINE industry representatives at Iata meeting in Delhi are considering penalising airlines which practice "ticket discounting." Page 9

● NEW ZEALAND electricity workers called off pay dispute after premier Robert Muldoon threatened to withdraw recognition of their union. Page 4

● PHILIPPINES central bank imposed indirect control on 11 types of electronics imports to conserve foreign exchange. Page 9

● ITALY'S stock exchange watchdog Consob was thrown into turmoil when its chairman and another board member resigned. Page 16

COMPANIES

● ELECTROLUX, the Swedish household appliance group, is to sell its Hugin cash register subsidiary to its management for £13m ($19.5m). Page 11

● BROKEN HILL'S October 31 deadline for its planned $2.4bn acquisition of Utah International will not be met. Page 19

● CITICORP Australia Holdings reported an 8.1 per cent rise in net profit to A$17.3m ($15.9m) for the nine months to September 30. Page 19

● EXXON increased third quarter net income by 20.5 per cent to $1.23bn. Page 16

● MERRILL LYNCH, the largest U.S. securities group, suffered a 67 per cent drop in net earnings to $33.1m in the third quarter. Page 17

U.S. leads invasion of Grenada

BY TONY COZIER IN BRIDGETOWN, BARBADOS

THE CARIBBEAN island of Grenada was invaded early yesterday morning by a force of U.S. Marines and parachute troops, estimated to be about 1,500 strong. The invasion of the island, a former British colony, was backed by about 300 troops from six Caribbean countries, all members of the British Commonwealth.

An unidentified American voice, broadcasting from an emergency radio station soon after the landing, said: "Friendly forces from neighbouring Caribbean countries and the United States have arrived in Grenada to protect lives and restore order."

Grenada has been ruled by a revolutionary military council since last Wednesday when the Prime Minister Mr Maurice Bishop, three of his cabinet ministers and two trade union leaders were killed by troops in a coup.

The marines landed just after dawn in helicopters which had flown from Grantley Adams airport in Barbados and a U.S. naval task force just off Grenada. The plan was that they would establish control before the troops and policemen from the Caribbean countries involved were airlifted on to the island to form a peace-keeping force.

Sources in Barbados said the troops encountered no resistance in capturing the small Pearls airport near the town of Grenville on the western side of the island, which is only 21 miles long. But there was fighting with the estimated 300 Cuban workers at the new international airport at Pointe Salines on the eastern side, near the capital St George's.

The Cubans, who had been strong supporters of Mr Bishop's regime since it ousted the Government of Sir Eric Gairy in a coup in March 1979, had supplied most of the technical and manpower needs of the new airport. Reports in Barbados said three of them had been killed and 22 injured in the fighting.

Although the airport is not yet officially opened, its runway is complete and ready to take landings from large jets. Sources in Barbados said it would be used to bring in trucks and equipment from the U.S. naval task force, which is headed by the aircraft carrier U.S.S. Independence.

In addition, reports said 32 military advisers from the Soviet Union had been held.

There was no word of casualties among the landing force, although the Americans in Barbados did reveal that one helicopter had been downed and the pilot injured. Other reports speak of six or seven casualties among the marines.

Earlier, Radio Free Grenada had reported that there was "fierce fighting" between the Grenadian army and the invading force.

Radio stations in Barbados broadcast a few conversations by telephone with residents of St. George's, who stated that the capital was comparatively quiet, although there had been large explosions heard in the downtown area near the Roman Catholic cathedral. The town has a population of 10,000 – the island itself has a population of about 110,000.

The military rulers in Grenada had been expecting the invasion and Radio Free Grenada reported "United States paratroopers with helicopter gunships" had landed at 5.30 a.m.

A frantic announcer on the station called on "all Grenadians to come out and defend our country" and asked "all friendly countries to condemn this act of aggression and immediately come to Grenada's assistance."

One of the station's two frequencies went off the air 35 minutes after the reported time of the landing. The second continued for another hour and a half, broadcasting calls to Grenadians to "fight against the forces of Satan."

The decision to take military action against the revolutionary military council, headed by army chief General Hudson Austin, had been planned here last Friday by the leaders of the Organisation of Eastern Caribbean (OECS) States – Antigua, Dominica, Montserrat, St Kitts-Nevis, St Lucia and St Vincent.

They had immediate support from the Prime Minister of Barbados, Mr Tom Adams, and the Prime Minister of Jamaica, Mr Edward

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Caribbean states urged action, Reagan says

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan yesterday said that the 1,900-strong U.S. invasion force had been despatched to Grenada in response to an urgent, formal request from the island's Caribbean neighbours "to assist in a joint effort to restore order and democracy."

Mr Reagan's dramatic early morning announcement stunned a nation still reeling from the impact of Sunday's devastating bomb attack on U.S. marine headquarters in Beirut.

Mr Reagan said that he had agreed to the military takeover for three reasons: to protect innocent lives, including those of about 1,000 Americans on the island; to forestall further chaos; and to assist the restoration of law and order.

The move was nevertheless seen in Washington as equally motivated by the Reagan Administration's desire to take a strong stand against what it sees as the spread of Soviet-inspired Marxism in the Caribbean and Central America. Mr Reagan described the leaders who seized power on the island last week as "brutal, leftist thugs."

Ms Eugenia Charles, the Prime Minister of neighbouring Dominica, who appeared alongside Mr Reagan, said intelligence data indicated that Moscow had been behind the overthrow of Mr Maurice Bishop, the former prime minister, who died in a confrontation with the military last week. She referred to "movements between Soviet enemies and known activists returning to Grenada after these contacts."

Caricom members divided over first military adventure; how Reagan went against Thatcher's advice; total eclipse for the New Jewel Movement; and countdown to invasion, Details, Page 8; Editorial comment, Page 14

Mr Reagan said that fears for the safety of the Americans, including about 500 medical students, arose after reports that a large number of them had sought unsuccessfully to escape from the island. As recently as Monday evening, however, the White House had given no hint that they might be in danger.

The collective action, including forces from Antigua, Barbados, Dominica, Jamaica, St Lucia and St Vincent, had "been forced on us by events that have no precedent in the eastern Caribbean and no precedent in any civilised society," Mr Reagan said.

The unanimous request for help had come on Sunday from the five-member Organisation of Eastern Caribbean States (OECS), under the organisation's treaty of "mutual support" for democracy, Mr Reagan said.

A senior official said that the U.S. troops would be withdrawn as soon as order was restored. Congressional leaders said they had been told that the troops – composed of 400 to 500 Marines and over 1,000 Army Ranger parachute troops – would be out of the island "in a week, if it's possible."

Meanwhile, the U.S. and its allies envisaged the formation of a provisional government under Mr. Paul Scoon, the governor general, who has been under house arrest since Mr Bishop took power in 1979, U.S. officials said.

Mr Tip O'Neill, the Democratic Speaker of the House of Representatives, said that Mr Reagan planned to notify Congress of the invasion within 48 hours under the 1973 War Powers Act, which requires the President to inform Congress when U.S. troops are sent into hostilities abroad.

Mr Reagan later said that he had received reports of casualties, while the Pentagon said that the forces had met restistance. The troops had secured the two airstrips on the island and the medical school attended by the American students.

Mr Edward Seaga, the Jamaican Prime Minister, claimed that 12 Cubans were killed.

The 300 troops from the other Caribbean countries had not been part of the original invasion force, but had been brought in later, the Pentagon said. U.S. forces had detained about 30 Soviet and 50 Cu-

Continued on Page 16

Thatcher 'opposed military solution'

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MRS MARGARET THATCHER, Britain's Prime Minister, had directly warned President Ronald Reagan against a U.S. invasion of Grenada. However, Sir Geoffrey Howe, UK Foreign Secretary, yesterday landed both himself and the Conservative Government in a major political row by refusing to criticise the U.S. action publicly.

Sir Geoffrey's equivocal stance during 45 minutes of questioning in the House of Commons led to the fiercest opposition attack and the greatest embarrassment for the Government and its supporters since the beginning of the Falklands war 18 months ago.

Later, Conservative MPs were depressed and angry about the further damage to the Government's political standing after the recent upsets and charges of loss of direction, and about the questions raised over U.S.-British relations.

Mrs Thatcher told the Commons yesterday that during the conversation she had stressed Britain's "very considerable doubts about the initiation of action."

The Government learned of the U.S. decision to invade late on Monday night, though earlier that day Sir Geoffrey had told the Commons he had "no reason to think that American military intervention is likely."

The U.S. and the Caribbean states, however, appear to have decided during the weekend on the broad plan to retake the islands.

Talks on Lebanon role set for Paris

By Reginald Dale in Washington and Roger Matthews in London

THE U.S., France, Italy and Britain are to hold an urgent meeting in Paris tomorrow to discuss the devastating bomb attacks last Sunday on troops of the multinational peace-keeping force in Lebanon.

Mr George Shultz, the U.S. Secretary of State, would be flying to Paris for the meeting with his three European counterparts, U.S. and French officials said yesterday.

The death toll from the bomb attacks on the U.S. and French military headquarters in Beirut continued to rise yesterday as more bodies were dug from the ruins. The U.S. said last night that 207 bodies had been recovered and another 20 or more were still in the rubble. The French put their death toll at 38 with 20 missing.

Sir Geoffrey Howe, the British Foreign Secretary, met briefly with M Claude Cheysson, the French Foreign Minister, in London yesterday. The three European countries are publicly united on their commitment to maintain their forces in Lebanon but are keen for closer coordination with the U.S. on future tactics.

Washington has three main objectives in the talks – to assess how future peace-keeping operations are to be managed, to emphasise the determination of the four countries to maintain their military presence in Beirut, and to demonstrate to American public opinion that the U.S. does not stand alone.

Mr Shultz is reported to have told a private Congressional session on Monday that he would like to discuss the possibility of broadening the peace-keeping force to include troops from other countries. He added that if the U.S. marines were withdrawn "the message will be sent that relying on the Soviet Union pays off and that relying on the U.S. is a fatal mistake."

The speed with which the U.S. has sought to consult at the highest level with its European partners has been interpreted as a sign of the depth of Washington's concern over events in Lebanon. Its previous tendency to act unilaterally contributed to the Europeans' decision a few weeks ago to launch their own complementary peace efforts.

The Soviet newspaper Pravda yesterday warned the U.S. to resist further involvement in Lebanon and said its policies had been responsible for the bomb attacks.

Soviet fury over U.S. claims, Page 4

Japan warns Iraq on bombing threat

BY JUREK MARTIN IN TOKYO AND ROGER MATTHEWS IN LONDON

JAPAN yesterday warned Iraq not to carry out its latest threat to bomb the Bandar Khomeini petrochemical complex in south-western Iran.

The Foreign Ministry in Tokyo is taking the threat extremely seriously because it was delivered in Baghdad to the Japanese Embassy, the first time Iraq has used official channels to make such a threat.

The Iraqi chargé d'affaires was then summoned to the Japanese Foreign Ministry in Tokyo.

Three Japanese citizens in Tehran are believed to be carrying out preliminary studies under a recent agreement between Iran and Japan designed to lead to a resumption of work on the petrochemical project, which was 85 per cent completed when hit by Iraqi bombers three years ago.

Fighting yesterday in the northern sector of the Iraq–Iran war continued unabated for a sixth successive day, with Iran claiming that it was closing in on the Iraqi town of Penjwin. Iran said it had already captured 270 square miles of Iraqi territory during the attack.

Tehran radio said that Iraqi forces themselves had begun to destroy Penjwin in order to begin a new propaganda campaign against Iran, and to justify rocket attacks on Iranian cities.

There is speculation in the Japanese Foreign Ministry that the threat to the Bandar Khomeini complex is part of a new overall strategy of suing for peace by means of threats. Iraq's acquisition of French Super Etendard fighters, equipped to fire Exocet missiles, and the consequent threats to shipping in the Gulf, were being seen in the same vein.

According to this theory, Iraq may fell that Japan has some leverage on Iran, because the Bandar Khomeini complex cannot be reconstructed without Japanese help, and that Japan itself may be vulnerable to pressure because of the hefty financial commitment to the project by Japanese companies, led by Mitsui.

The Bandar Khomeini Agreement reached last month between Tokyo and Tehran provides that Iran will bear all future costs for the project

U.S. Steel returns to profit

By Paul Taylor in New York

U.S. STEEL, the biggest of the U.S. steelmakers, yesterday reported an unexpected profit in the third quarter – its first since the start of last year.

The company said the turnround was attributable to its Marathon subsidiary's oil and gas operations, while its steel business continued to show substantial, but reduced, losses.

The steel group, whose shares were suspended ahead of the profit announcement, said it had net earnings of $52m or 27 cents a share in the third quarter on sales of $4.6bn, compared with a net loss of $82m or 88 cents a share on sales of $4.5bn in the same period last year.

The profit, which came after five consecutive quarterly losses, helped to reduce U.S. Steel's loss in the first nine months to $178m or $2.28 a share on sales of $12.8bn, against a net profit of $2m on sales of $14.6bn in the 1982 period.

U.S. Steel said the turnround re-

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CONTENTS

Eta violence forces Madrid to harden line on terrorism

BY TOM BURNS IN BUENOS AIRES

INCREASING Basque violence and behind-the-scenes pressure from military leaders has prompted a significant re-appraisal of the terrorist issue by the Socialist Government. A senior government spokesman said a package of measures was being drawn up which included the possible banning of political groups that condoned terrorism.

Details of the package were revealed on Monday by Sr Felipe Gonzalez, the Prime Minister, to Sr Manuel Fraga Iribarne, the opposition leader, who said subsequently that the Government's proposals would be fully backed by his conservative Alianza Popular party in Parliament.

The spokesman said the measures would rectify "an inertia" on the part of the Government towards terrorism that contrasted with action taken by other Western European administrations. As examples of the latter he cited the banning of Corsican nationalist parties by France, stepped-up police powers in West Germany and Italy, and the former policy of internment in Northern Ireland.

One measure went into effect yesterday when the prison of Herrera de la Mancha, recently built as a maximum security jail in an isolated part of Ciudad Real province, south-east of Madrid, was cleared of inmates to make way for members of Eta, the Basque separatist organisation serving sentences elsewhere.

All imprisoned members—numbering some 330—of Eta's several factions are to be transferred to Herrera de la Manchà in what officials say will be a Spanish version of the Maze prison in Northern Ireland.

The murder by Eta last week of an army captain whom it had kidnapped at the beginning of the month stunned Spaniards. According to Spanish political commentators, it brought to a head a latent demand among senior army officers that a far tougher line should be taken against terrorism. Large protest marches, sponsored by the Government, took place last week to demonstrate against the murder.

Since then Eta have shot dead an alleged informant, the 36th victim of Basque political violence this year, and staged bomb attacks against a Guardia Civil barracks in the province of Navarre and against the naval headquarters in San Sebastian.

The most controversial aspects of the anti-terrorism measures concern veiled backing by the Interior Ministry for undercover activities against Eta members and the possible banning of Herri Batasuna, the radical nationalist coalition that is the third political force in the Basque country.

EEC chases phantom of free internal trade

John Wyles reports on an elusive goal for the Community

EUROPEAN COMMUNITY heads of government have called for it twice in less than a year, manufacturers' federations across the EEC have pleaded for it, and the European Commission has pushed and schemed for it.

Yet real progress in removing the host of non-tariff barriers to trade within the EEC has remained as elusive as ever and the search for agreements at a Council of Ministers meeting in Luxembourg today may prove as vain as most previous attempts this year.

This continuing failure does much to undermine the credibility of the wider effort now under way to relaunch the Community with new policies and reformed agricultural and budgetary systems. It feeds "a feeling of disillusion and in some cases mistrust," in the business world, about which Dr Guido Carli, the president of Unice—the umbrella organisation representing EEC industries—recently warned member governments.

Unice is at one with the Commission in believing that, if the Community does not make progress on the internal market, it will surely step backwards into national protectionism. That gradual regression can already be observed.

In 1981, the Commission had 300 cases of national protection to investigate, by the beginning of this year the case load had climbed to 770 questionable measures.

Industrialists agree with the Commission that a fully-functioning internal market can aid the Community's economic salvation. They are looking not only for the elimination of technical and regulatory barriers to trade, but also to the harmonisation of financial systems, the promotion of new forms of co-operation in high technology, and the emergence of a common transport policy.

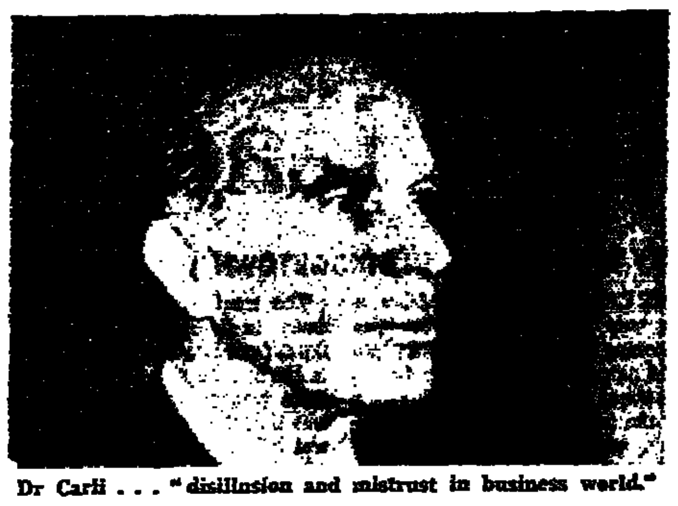
In the realm of non-tariff barriers, the only success chalked up so far came in June with the adoption by the internal market council of a directive ensuring prior consultations between member states before new technical standards and norms are adopted by national authorities.

However, proposals to be discussed today for moving people and goods more quickly and cheaply through border controls within the Community remain trapped in a web of political and technical obfuscation.

A similar deadlock—for which France is largely responsible—prevails over 20 directives, which would set common technical standards for a variety of goods from cars to medical equipment.

France wants to be sure that adoption of these directives will not mean the surrender of all national control over imports from non-Community countries. Theoretically, once a third country manufacturer has a certificate of conformity to EEC standards, his products should have easy access to all Ten markets.

France is particularly worried about being flooded by Japanese cars, since only four unadopted directives stand in the way of common EEC specifications for such vehicles.



Dr Carli . . . "disillusion and mistrust in business world."

More positively, some Commission officials think that the French minister may today wave through 14 directives carrying no particular third country import risks. These would set harmonised standards for such products as steel gas bottles, gas appliances, thermometers, and permissible noise levels from various power units.

France argues that, just as the adoption 25 years ago for common external tariffs for the EEC was the natural concomitant to the removal of internal tariff barriers, so further consolidation of the common market must be accompanied by the creation of at least one new protective device.

This is the so-called common commercial policy instrument, created by the Commission last February to accommodate the French, which would supposedly answer the need to respond "more swiftly and effectively" to unfair trade practices by non-member countries.

Adoption of this proposal is France's pride for compromising on the third country certification problem. But it is a price which West Germany, the Netherlands, and Denmark are very reluctant to pay. They argue that it sends out a protectionist signal at a time when the EEC ought to be trying to roll back protectionism in the world.

It would be wrong, however, to paint France only as an obstacle to genuine progress on the internal market. President Francois Mitterrand's government is now showing a stronger awareness than before of the growth opportunities offered by an effective European market.

Evidence of new thinking in Paris was clearly apparent in proposals tabled by France last month which called for the progressive opening up of public purchasing policies to all potential Community suppliers and for the definition of Community norms and standards for new products.

The Commission is seeking this and much more. It wants the Community summit in Athens in December to call for a review of all national technical standards and regulations, and for the scrapping of all that are "no longer justified."

Nevertheless, the pace of progress seems destined to remain slow. Within the Commission, the blame is laid firmly at the door of national bureaucrats and technicians. While heads of government and top businessmen may be aware of the political and economic fragmentation caused by non-tariff barriers, national experts and officials are said to see only interests to be traded away for little guaranteed return.

Thus, while the removal of border formalities to goods traffic may save between 5 and 10 per cent of the value of the products in transit, officials in countries such as France and Italy worry about the impact on national producers and about a flood of imports worsening already difficult balance of payments problems.

"The inertia of national bureaucracies remains the most significant constraint (on the internal market)," said Herr Karl Heinz Narjes, the Commissioner responsible for the internal market, recently.

As a further example of this inertia, Commission officials point to the fate of their attempt to secure agreement on a single customs document for the passage of goods—another hardy annual for ministerial discussions today. At working-group level, national experts have produced a blizzard of 169 amendments to the Commission's draft document.

Yet only last week the three Benelux governments were able to agree on the introduction from next year of a single customs document for the trade between them.

Ministers may today make some movement towards an agreement guaranteeing to keep frontier posts open to road traffic for a full 24-hour period. But this could be hedged about by the qualification that opening hours would depend on whether the volume of traffic justifies it. Moreover, France and Greece want to leave this judgment in the hands of national authority.

The same two countries want to exclude air and sea transport from any improvements for cross-border traffic on the grounds that this would give the Community a role in negotiating international conventions.

It is just such fear and mistrust of the "Community dimension" which has dogged many attempts over the past 10 years to complete the internal market. Dr Carli's warning of disillusion could be amply demonstrated by a low turnout in next June's elections to the European Parliament.

Rising domestic sales aid W. German car recovery

BY JOHN DAVIES IN FRANKFURT

CAR PRODUCTION is continuing to recover in West Germany, stimulated mainly by a sharp revival in domestic sales. Output of small trucks and vans is also picking up, but heavier trucks are still deep in recession.

More than 370,000 cars rolled off the assembly lines last month, 8 per cent more than a year ago. Since the beginning of the year, output at 2.87m is running just 1 per cent below a year earlier and the gap has been steadily narrowing.

New car registrations in West Germany were 23.4 per cent higher last month than a year earlier and 13.6 per cent higher in the first nine months. But foreign manufacturers are among those to have gained, raising their share of the market in the nine-month period from 25 per cent to 26.8 per cent.

West German car exports of 100,300 last month were 1 per cent down on a year ago

More than 26,000 commercial vehicles were produced last month, 7 per cent more than in September last year.

Second Swiss $40m credit for Yugoslavia

By John Wicks in Zurich

THE SWISS national bank has granted a further medium-term credit of $40m (£26m) to Yugoslavia. This follows a simliar credit for the same amount at the end of September arising out of an earlier pledge in connection with a bridging loan granted to Yugoslavia by the Bank for International Settlements.

Disbursement of the second $40m is said to have begun at the start of this month. The full $80m will have been transferred by mid-December.

Papandreou sees another plot to bring him down

BY ANDRIANA IERODIACONOU IN ATHENS

THE GREEK Prime Minister Mr Andreas Papandreou believes there is an international right-wing plot based in the United States to sabotage Greece's economy and bring down his Socialist (Pasok) Government.

He said in a newspaper interview: "Our right-wing opponents have come up with $120m to open an office in Chicago, which will pour poison to undermine the economy and our government. An unpatriotic battle is under way to influence international banking and business circles which would only be waged by men of no conscience."

Mr Papandreou's startling accusations, made to the pro-Government Athens Daily newspaper, Ta Nea, have temporarily given the Socialists the last word in an escalating propaganda war against the right-wing New Democracy Party, Greece's main opposition group.

The political temperature in the country is running high after last week's mass rallies by Pasok and New Democracy in the main cities of Athens and Salonika, to mark the mid-point of the Papandreou Government's term.

However, unless Mr Papandreou backs up his claims soon with concrete evidence, they are likely to end up placing new strains on the Government's credibility.

This is not the first time the Prime Minister has spoken of a right-wing conspiracy against the Socialists, each time without any further explanation.

A year ago he pointed a finger at unnamed senior members of New Democracy whom he accused of waging an economic propaganda war against Pasok in Western capitals. But no specific details were ever brought forward.

Just 10 days ago, leading a meeting of the prime ministers of France, Italy, Spain and Portugal in Athens, Mr Papandreou spoke of a conspiracy by bodies such as the International Monetary Fund, the Organisation for Economic Co-operation and Development and the World Bank against the European Socialist experiment. The subject subsequently was quietly dropped by his European colleagues.

His accusations were angrily dubbed "slanderous fireworks" yesterday by Mr Evangelos Averoff, the New Democracy leader. "Unless the Prime Minister can come up with reliable evidence within three days he is nothing but a common sycophant" he said.

The Government has so far limited its answer to warning Mr Averoff that "he would do better not to talk." A spokesman yesterday refused to elaborate further on Mr Papandreou's statements or to say whether there will be any investigation.

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West Berlin fears over Turkish match

BY OUR BERLIN CORRESPONDENT

THE WEST Berlin authorities have mounted a massive security effort to prevent right-wing extremists from inciting hatred against the 140,000 Turks living in the city during today's football match between West Germany and Turkey.

Police raided the apartments of 42 neo-Nazis last weekend and confiscated leaflets which called on German fans to "wipe up the stadium seats with the Turkish swine" and worse. Border police are carefully checking motorists entering the city if they are suspected of carrying weapons and of wanting to promote a clash with the Turks.

The police commissioner warned that suspected troublemakers would be taken into protective custody today. About 6,000 West Berlin police have been mobilised to patrol the area around the football stadium and the Turkish district.

The governing mayor of West Berlin, Herr Richard von Weizsäcker, plans to attend the game with long-time Turkish residents. He has called for the match to be a "sports festival of friendship." He warned extremist groups not to provoke anti-Turkish riots. The city authorities have plastered underground stations with posters showing smiling Turks and Germans living in harmony.

The authorities are also worried about reports that Turkish groups plan to use the football game to express their opposition to the Turkish military regime. Turkish interpreters for the police will be at the entrances to the stadium to stop any Turks from carrying in placards protesting against the Government in Ankara.

The Turkish press is watching the match closely. Reports of growing discrimination against Turks in West Germany are a frequent news item in Turkey.

Ireland reduces deficit

By Brendan Keenan in Dublin

A MARKED improvement in Ireland's balance of payments deficit will prove temporary unless action continues to curb public spending and restore competitiveness, according to the Irish central bank's quarterly report.

The bank says it expects the balance of payments deficit this year to be about I£320m ($384m), equivalent to 2½ per cent of gross national product (GNP). It describes the improvement from 14 per cent of GNP in 1981 as remarkable. However, the bank expects an increase in imports, a rise in oil and commodity prices and accumulating debt servicing charges to put pressure on the balance of payments

The bank expects inflation to rise to over 11 per cent by the end of the year.

Christian Democrat Party seeks to resolve its future

BY JAMES BUXTON IN ROME

THE FUTURE of Italy's long-ruling Christian Democrat Party, which suffered a severe setback in the general elections last June, should be resolved at a congress brought forward to next February.

The key issue will be the position of Sig Ciriaco De Mita, the party secretary, who is held responsible for the election failure by several factions of the party. The Christian Democrat share of the vote fell to 32 per cent, its lowest since the Second World War.

The party, which is always faction-ridden, has been in disarray since June. It has shown unease at being in coalition under the Prime Ministership of the Socialist Party leader Sig Bettino Craxi. Many Christian Democrat deputies either did not vote or voted against the Government on a key part of the 1984 budget, causing a Government defeat.

Sig De Mita, who upheld a policy of economic "rigour" and strongly opposed the Socialists during the general election campaign, proposed an early party congress at a meeting of the party's national council this week.

The outcome of the congress, assuming it goes ahead in February, is still uncertain. But in his address to the national council Sig De Mita was careful to strike a conciliatory note. He renewed the party's support for Sig Craxi, avoided many contentious issues, and blamed many of the problems of the party on the general weakness of Italian institutions.

SOVIET MISSILE PLANS CRITICISED

Romania warns on arms

BY ANTHONY ROBINSON IN LONDON AND LESLIE COLITT IN BERLIN

SOVIET PLANS to start preparations for development of new tactical missiles in East Germany and Czechoslovakia were obliquely criticised by Romanian President Nicolae Ceausescu yesterday. In an interview with the Egyptian newspaper Al Ahram, Mr Ceausescu called on the Soviet Union to stop deployment of new rockets and even pass... to the reduction of a certain number of existing rockets" and to continue INF talks in Geneva "until the realisation of an agreement."

This is not the first time that President Ceausescu has sounded a discordant note of this kind, despite strong Soviet pressure. Earlier this month, a Soviet military team led by Marshal Alexei Yepishev, chief of the main political administration of the Soviet armed forces spent five days in talks with top Romanian political and military leaders.

Meanwhile, in Berlin a member of the unofficial East German peace movement predicted an upsurge of protest in East Germany against both American and Soviet missile deployments.

Last Saturday, nearly 100 East Germans were taken into custody for planning a peace rally on East Berlin's Alexanderplatz timed to coincide with the massive peace rallies taking place in West Germany.

In recent months, dozens of antinuclear campaigners from Jena, a centre of the East German peace movement, have been stripped of their citizenship and sent to West Germany against their will.

Helsinki talks planning begins

BY ANTHONY ROBINSON IN LONDON

PREPARATORY WORK began yesterday in Helsinki for a long-mooted European disarmament conference scheduled to begin in Stockholm on January 17.

Diplomats from all 35 countries from East and West who participated in the Conference on Security and Co-operation in Europe (CSCE) met to fix an agenda and ground rules for the full conference which will discuss East-West military confidence-building measures.

Diplomats met against the unpromising background of imminent Nato moves to deploy U.S. cruise and Pershing 2 missiles in Western Europe and countervailing Soviet moves to start preparations for deployment of more accurate and longer range missiles in East Germany and Czechoslovakia.

Agreement in holding the forthcoming Stockholm Conference on Confidence and Security Building Measures and Disarmament in Europe was reached last month at the conclusion of the two-year European Security Conference follow-up meeting in Madrid.

Its aim is to seek agreement from 33 European countries, plus the U.S. and Canada on the extension of confidence-building measures aimed at reducing the risk of a surprise attack by either side in Europe.

The conference will take as its starting point the military confidence-building measures already agreed at the original CSCE meeting at Helsinki in 1975.

These provided for each participating state to notify the others of military manoeuvres involving more than 25,000 troops within 250 kilometres of national borders at least 21 days in advance.

Discussion at Stockholm is likely to centre on measures aimed at further reducing the risks of surprise attack by lowering the ceiling on troop involvement

The conference agenda will not cover arms control or reductions.

Western diplomats fear that the Soviet Union will be tempted to use the Stockholm conference as yet another platform from which to attack Nato plans for cruise and Pershing 2 deployment

AFTERMATH OF BEIRUT BOMBING

Night search: Rescue teams amid the devastation in Beirut

Soviet fury over U.S. claims

BY ROGER MATTHEWS

THE SOVIET UNION has reacted angrily to U.S. suggestions that Syria and Iran may have been implicated in the Beirut bombings which cost the lives of more than 200 American and French troops.

The daily newspaper Pravda claimed yesterday that the allegations formed part of a campaign of military provocation directed against Syria. "Syria was not mentioned accidentally," claimed Pravda. "That country is an obstacle in the road of American and Israeli plans in the region."

The Soviet Union has thousands of troops and technicians stationed in Syria to act as military advisers and to operate the relatively sophisticated Sam-5 and SS-21 missile systems.

After the severe military setbacks suffered by Syria at the hands of Israel during the invasion of Lebanon last summer, the Soviet Union has not only replaced lost Syrian equipment but has improved the quality of its supplies.

The Syrian Government is said to be confident that the Soviet Union would become directly involved if Israel mounted attacks within Syrian territory.

Israel television news gave prominence on Monday to what it claimed was the continuing arms build-up in Syria.

Pravda argued that the U.S. had kept silent about the fact that "the whole situation in Lebanon is the result of the Israeli invasion which was undertaken with the full support of the Reagan Administration. The appearance of American troops in Lebanon is a continuation of the occupation policy which the Reagan Administration conducts along with Israel."

Although concentrating on the perceived U.S.-Israel threat to Syria, Pravda also said that accusations of Iranian responsibility for the Beirut bombings was part of a larger American design. "It is no surprise when U.S. and British naval units are waiting off the shores of Iran", said the Communist Party daily.

Relations between Moscow and Tehran have deteriorated sharply during the past three years but the Soviet Union may now sense an opportunity for an improvement if there is an escalation in the Gulf War.

Iran has threatened to shut the Strait of Hormuz if its own oil exports are put in danger. If the U.S. sought to reopen the waterway in defence of its own vital interests, some diplomats believe Iran might have little option but to mend its fences with Moscow.

Jordanian envoy wounded in New Delhi

By Our Middle East Staff

JORDAN'S ambassador to India was shot and seriously wounded in New Delhi yesterday. Mr Mohammed Ali Kourme, a career diplomat who took up his post three months ago, was hit several times by an unidentified gunman firing from close range.

Jordanian officials said they could not understand the attack. However, King Hussein of Jordan has been bitterly criticised by more radical Arab states and by Palestinian guerrilla factions for his willingness to cooperate with President Reagan's Middle East peace proposals.

The virtual collapse of Mr Reagan's plan and the deteriorating security situation throughout the Middle East has led to fears that diplomatic efforts may be giving way to more violent tactics.

Jordan has also been the most vigorous supporter of Iraq in the three-year war with Iran. King Hussein was the first Arab head of state to visit Baghdad after the outbreak of hostilities and allowed Aqaba port to be used for the transit of Iraqi war supplies.

The split within the ranks of al-Fatah, the largest guerrilla faction in the Palestine Liberation Organisation, has brought to greater prominence men who were strongly opposed to bringing King Hussein into negotiations.

Israel argues that the Palestinians already have a homeland in what is today Jordan.

The last attack on an Arab diplomat in New Delhi was in June, 1982 when a first secretary at the Kuwait Embassy was shot dead in alleged retaliation for the death of Palestinians living in Kuwait.

China plans to use 'economic levers'

BY MARK BAKER IN PEKING

CHINA PLANS to make greater use of selective taxes, interest rates and pricing policies to speed the growth and modernisation of its economy.

The assistant general secretary of the State Council, Mr Yuan Mu, said that wider use of Western-style "economic levers" was important in helping China to achieve its target of quadrupled production by the year 2000.

Mr Yuan said China was proceeding with plans to switch state enterprises from the traditional system of profit delivery to more flexible taxation of revenue as a way of stimulating productivity.

In addition, taxes would be regulated to restrain production of over-supplied commodities and to stimulate production of scarce items.

He said a system of "floating" interest rate would be expanded to free up more funds for projects which were favoured by the state.

Mr Yuan said also that there would be more opportunity for market forces to influence prices. The state would relax pricing controls on more commodities and would support higher prices for higher quality.

The state decision to increase prices for agricultural products had spurred production and added about $25bn to the incomes of peasants from 1979 to 1981.

Mr Yuan said that China recognised the need to follow the experience of other countries and promote growth through incentives.

"We regard the present economic reforms as a profound revolution. We have to do away with many traditional ideas, customs and forces of influence," he said.

But he added that China had to be careful to adapt foreign economic skills to its own circumstances and not undermine its fundamental Socialist principles.

Mr Yuan said that since China began reforming its economy in 1979, the gross output of agriculture had increased by 7.5 per cent a year, while gross industrial output had risen by 7.3 per cent a year. There had been similar improvements in trade and commerce.

He said emphasis would be put on promoting individual enterprises, giving greater management freedom to state-owned enterprises and generally allowing the market to regulate the economy.

China was also experimenting with more flexible labour and wage policies. This involved allowing more enterprises to engage and dismiss workers as they saw fit and the use of "floating" wage structure to reward skill and efficiency.

AP-DJ reports from Hong Kong: China is considering issuing a freely convertible currency for its special economic zone of Shenzhen which borders Hong Kong, a Hong Kong Communist newspaper said yesterday.

War of nerves persists in Japan

BY JUREK MARTIN IN TOKYO

MR YASUHIRO NAKASONE, the Japanese Prime Minister, will today try to find a formula to break the deadlock in the Japanese Parliament which has prevailed since former Prime Minister Tanaka was convicted in the Lockheed bribery trial two weeks ago.

He will do so in consultation with Mr Susumu Nikaido, the tough secretary-general of the ruling Liberal Democratic Party, who has spent much of the last fortnight rallying the LDP against the concerted opposition attempt to have Mr Tanaka expelled from the Diet.

It is now apparent that the three-cornered confrontation between the LDP establishment, represented by Mr Nakasone and Mr Nikaido, its dissident elements, united mostly by distaste for Mr Tanaka, and the opposition, has gone beyond the stage of ritual posturing. It has become, in effect, something of a war of nerves, which, on all sides, are becoming more tautly stretched.

The Government, for example, is finding itself discomfited because its substantial legislative agenda is now being held hostage by the opposition boycott of the Diet. This includes the proposed Y1.2 trillion (million million) ($5.2bn) tax cut which constitutes a central part of last week's economic package.

It is also becoming embarrassed because it is proving impossible to arrange scheduled speeches to the Diet by Chancellor Kohl of West Germany, who arrives this weekend for an official visit, and President Reagan, due in Tokyo on November 9.

But this embarrassment also appears to apply to the opposition whose rare display of unity over the last fortnight could crumble in the face of accusations that it is responsible for presenting a poor image of Japan.

For his part, Mr Nakasone has tried to remain aloof from the fray. He has insisted that what happens to Mr Tanaka is a matter for the courts, not parliament, and that he will not be bullied into calling an early general election.

He has sent emissaries to Mr Tanaka, though to what end is not clear. Mr Tanaka, however, interpreted their mission as a backdoor attempt by Mr Nakasone to get him to resign from the Diet and, reportedly enraged, sent out the word through associates that Mr Nakasone should remember who made him Prime Minister.

LDP opponents of Mr Nakasone and Mr Tanaka have had a verbal field day, but have not yet broken ranks on the question of the Tanaka expulsion motion, which remains bottled up in a Diet committee.

Liberia seeks $975m in foreign aid

BERNE—Liberia is negotiating for foreign loans and grants totalling $975m to finance investment projects and help pay its balance-of-payments deficit, Planning and Economic Affairs Minister Emmanuel Gardiner said yesterday.

He said that his government was holding talks this week with 14 countries and 22 international aid organisations, including the World Bank, the International Monetary Fund, and the European Community to try to raise the money.

The Liberian economy shrank by 7 per cent last year and growth was also likely to be negative in 1983, the Minister said, adding that it had become impossible to generate sufficient finance domestically to promote investment.

Saudi Arabia reshuffles Cabinet

BY MICHAEL FIELD

THE SAUDI ARABIAN Government has announced two important ministerial changes affecting the portfolios for Industry and Health.

Dr Ghazi Algosaibi, who has been Minister of Industry and Electricity since the accession of King Khaled in 1975 and has managed the Health portfolio for the last 12 months, is now to be Minister of Health only.

His post at the Ministry of Industry is being taken by Abdul-Aziz Zamil, who has been the managing director of the Saudi Basic Industries Corporation (Sabic), the organisation that holds the state's interests in petrochemical and steel joint-ventures.

The arrival of Mr Zamil at the Ministry of Industry does not signify any change in Government policy. The new Minister is as much associated as his predecessor was with the development of the great industrial cities of Jubail and Yanbu, and even in the last year of low revenues the Government has shown no sign of cancelling or scaling down any of the major projects there.

However, the appointment of Dr Algosaibi to work full-time at the Ministry of Health suggests that the Government is anxious to have someone with a reputation for ruthlessness and efficiency to tackle the problem of the Ministry's soaring costs.

When Dr Algosaibi arrived at the Ministry of Health last year he took to patrolling the building early in the morning to see which of his staff were not at their posts.

Dr Algosaibi and Mr Zamil have similar backgrounds. Both are from the Nejd (central Arabia), and both belong to well-known trading families with Saudi and Bahraini members in their ranks and commercial interests in both countries.

Eight of Mr Zamil's 11 brothers run the highly successful family company, known as the Zamil group.

The company has been one of the Kingdom's most enterprising investors in light industrial projects, with interests in air-conditioning manufacture, food processing, pre-engineered steel buildings and aluminium door and window frames.

Strike averted at gold mines refinery

By J. D. F. Jones in Johannesburg

A STRIKE by the black workforce at the Rand Refinery in Germiston, which processes the output of South Africa's gold mines, was averted at the last moment late on Monday night when the new National Union of Mineworkers accepted a revised offer from the Chamber of Mines.

The union had carefully gone through all the processes of the disputes machinery and the strike, which was expected to start yesterday, would have been only the second legal strike by black workers in the period of South African labour reform that has followed the Wiehahn Report.

A Chamber of Mines spokesman said yesterday that the final settlement amounted to about 12 per cent on wage rates when account was taken of various service increments and fringe benefits. The mineworkers had originally asked for 40 per cent.

Although white employees at the refinery would have carried on working, there had been concern about the implications of a prolonged strike for the gold mines. It had been made clear that gold would, if necessary, have been released from the Reserve Bank's reserves.

The settlement of the dispute is a further stage in the learning process between the Chamber of Mines and the mineworkers' union.

The union, under the leadership of Mr Cyril Ramaphosa, was only recognised by the chamber in June, but has since made rapid progress.

Hardline Muldoon heads off public sector unrest

BY DAI HAYWARD IN WELLINGTON

A HARDENING attitude on the part of Mr Robert Muldoon, the New Zealand Prime Minister, has forced state-employed electricity generating workers to call off a series of disruptive meetings which were due to start yesterday.

When the 1,200 electricity workers, who are members of the Public Services Association (PSA) planned four two-hour meetings which would have cut generating capacity by 25 per cent, Mr Muldoon introduced legislation to remove recognition of the association.

This would have left the 69,000 state employees without a trade union, with no negotiating rights and their assets taken over by the state.

The workers first refused to back down on Monday, and Mr Muldoon announced that he would introduce wide-ranging emergency provisions allowing the Government to call in the armed forces, give it the right to jail strikers or trade union leaders and impose censorship.

Mr Muldoon also summoned an emergency Cabinet meeting and ministers rushed back to Wellington on what was a public holiday.

He twice rejected an offer from the PSA to scale down the protest. It was all or nothing, and the Government would not allow electricity to be used as an industrial weapon, the Prime Minister said.

He did, however, agree on a face saving formula for the PSA to meet a deputation to "talk without any commitment" on the new procedures for fixing state servants pay, which sparked the original protest by electricity workers. They believe their pay rates will suffer in comparison with those in private industry.

Uranium go-ahead sought

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE South Australian State Parliament yesterday demanded the go-ahead for the A$1.7bn (£1bn) Olympic Dam copper-gold uranium find at Roxby Downs. The move came despite signs that the Federal Labor Government in Canberra is contemplating another inquiry into the project as a means of placating fierce Left-wing opposition to uranium mining and exports.

Olmpic Dam is thought to contain at least 1.2m tonnes of uranium—the world's biggest find—and has been a political football almost since its discovery.

"As far as Roxby Downs is concerned, we have had enough inquiries," said Mr John Bannon, South Australia's Labor Prime Minister.

Federal Labor policy calls for a full winding down of the uranium industry, though there is a let-out clause that exempts finds like Olympic Dam, where uranium occurs with other minerals.

The uranium controversy was discussed by the Federal Cabinet yesterday, but no decision is expected until at least next week.

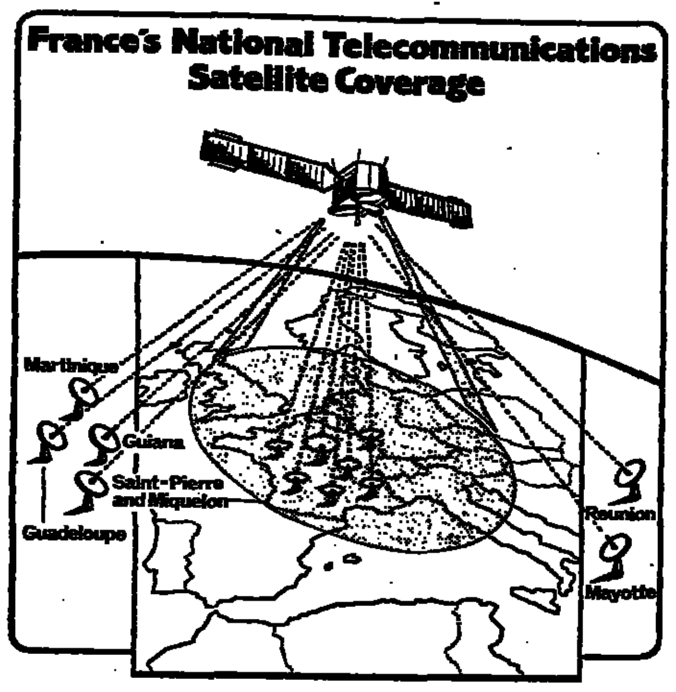
TECHNOLOGY

EDITED BY ALAN CANE

SPACE COMMUNICATIONS

France demonstrates satellite system

BY ELAINE WILLIAMS



IN 1984 France will launch its first national satellite called Telecom 1. Today at the international telecommunications exhibition, Geneva 83, the French telecommunications authority will carry out a series of demonstrations to show the type of services its future satellite will provide.

The experimental Orbital Test Satellite, OTS, will be used in this week's demonstrations which will show electronic mail transmission, freeze-time teleconferencing and, broadcasting.

These are some of the services which will be provided by Telecom 1 following its launch by the Ariane rocket system. The satellite, and a spare, will provide digital communications within France and telephone links to overseas territories and allow French television broadcasts to be received in these countries.

The area of coverage includes Guiana, Marinique, Guadeloupe, Saint Pierre et Miquelon, Reunion and Mayotte. At the present time the telephone and television services between these countries and France are provided by the Intelsat and Symphonie satellites. Telecom 1 will replace some of these.

The French telecommunications authority says that the main characteristics of the new service is the wide range of data rates from 2,400 bits per second to 2m bits/second for video conferencing. It is hoped that these services will be used by industry and commerce.

As a first stage of the future French video-transmission network, a video channel is to be reserved, a video channel will be reserved for this purpose.

COMPUTER PERIPHERALS

Company start-up

TINY DISKS which can store vast amounts of data and sit inside, rather than alongside a personal computer are fast becoming the rage—Californian start-up Microcomputer Memories is now giving our own Rodime competition.

Storage of between 6.35 and 12.7 megabytes of data on a unit which is so small that it can fit on to a person's hand, has been made possible by the three and a half inch hard disk which it contains.

Two twin-sided rigid disks with capacity forty fold greater than floppy disks have been squeezed into a unit which is nearly six inches high, four inches wide and just over one and a half inches deep.

Communications

Text and data seminar

A growing number of options are facing the corporate communications manager who is tasked with optimising the use of leased lines and the public networks in terms of voice, data and text transmission, both on-site and between sites.

The integration of voice and data is to be looked at in a one day seminar organised by Oyez Scientific and Technical Services in London on December 6, when some of these options — independent circuits, packet switching, the new digital PABXs for example — will be examined by experts from industry, consultancies and British Telecom.

Chairman will be Mr R. Camrass, who looks after telecommunications practice at Arthur D. Little. The venue will be The Rainbow Suite, London, W.8, and the fee is £125. More from Suzanne Mayhew on 01-236 4080.

Lighting

Thorn-EMI to double production

THE SUCCESS of Thorn EMI Lighting's miniature folded fluorescent tube, the "2D," which was introduced in 1981 and is now being made at the rate of 1m units a year, can be judged by the fact that the company plans to inject £1m in order to double production at the Enfield plant in North London.

The lamp, which uses only 16 watts but produces nearly as much light as a 100 watt filament lamp, is several times more expensive but over the lamp's much longer life considerable savings can be made and Ray Everett, production director, thinks that an increasingly energy-conscious community is beginning to read the message. "The steadily increasing demand more than justifies the heavy capital investment we are putting into the factory," he says.

Advanced production machinery is part of the secret, allowing the unit to be made at high speed and acceptable cost, but the process was not without its problems. For example, the double bend in the half-inch glass tube meant that it had to be given its phosphor coating before it was bent. So special adhesion techniques needed developing before mass manufacture was even contemplated.

To date the 2D has produced £5m of turnover for the company, a third of it in overseas sales. Some 200 manufacturers have designed fittings round it.

BRITISH RAILWAYS LOOKS AT WAYS TO ENTER COMPUTER BUSINESS

B.R. makes computer tracks

BY PAUL WALTON

THE BRITISH Railways Board has begun looking at ways of getting into the computer business. It plans to market its mainframe programming skills and may retail personal computers.

It believes it would get the political backing needed to change the Transport Act, so it could run its very large (£50m-a-year spend) Computing Systems and Services (CSS) division as a commercial operation. A business plan will be presented sometime during 1984. The Board threw open its data processing (dp) contracts two years ago and has forced CSS to compete for work on which it used to have a monopoly.

Mr Otto Benz, head of the CSS division, said it had become both a profit centre and more relevant to the business world:

> The five internal BR shops have made a small profit of some £20,000 after 30 months on the sale of about 400 machines.

"On the one hand I welcome competition because it improves CSS, on the other hand I am fighting it for work and for revenue."

A commercialised CSS would become one of the UK's top half dozen computer service companies, overnight matching Logica, Thorn-EMI and Hoskyns with its 750 computer staff.

The Board would become one of only a handful of public sector giants to follow private firms in commercially exploiting computer services primarily developed for internal usage. The National Coal Board was the first, creating the Compower service firm from its dp services in 1973. British Leyland followed suit several years later, with BL Systems.


British Rail is using the wide experience of computers in train control and design to sell services and systems to business and industry

Mr Benz said that CSS has experience of every facet of computing from the daily operation of seven mainframes for BR, the development of new systems and in the internal retailing of personal computers to departments. But he admitted that it had also lost major projects worth several million pounds to outside competition in the past two years.

The Board's major computerised accounts system is being developed by the services arm of Price Waterhouse; Hoskyns is to automate the Sealink booking service. ICL is bringing computer - aided design and manufacture (CAD/CAM) to British Rail Engineering and is being used for a host of smaller local systems. It is also fighting it out with Wang to supply BR with a major chunk of its office automation.

In the face of competition, CSS has begun to sharpen up. Mr Benz said that in 1981 his group was given the job of setting up five regional "shops" within BR, to sell and support personal computers.

Many other large organisations nave made the same move to counteract managers who were buying a dizzy array of largely incompatible machines out of petty cash.

The five internal BR shops have made a small profit of some £20,000 after 30 months, on the sale of some 400 machines including the Superbrain, the ACT Sirius and the IBM Personal Computer.

Both the profit margin and the turnover of these shops is now rising fast, Mr Benz pointed out. With the possibility that sales might treble, and that the profit margin would rise, nearly £100,000 annually might be made from the internal sale of the machines, as well as the software and peripherals which go with them.

One scheme being canvassed would see the Board taking this operation (in London, Reading, Crewe, Nottingham and Darlington) into the high street, using the extensive shop frontage which BR has in stations and in booking offices.

"This is something which we are thinking about, but there are problems in doing it and it is not really at a serious stage just yet," Mr Benz said. He added that further shops would cost CSS much more than simply making better use of its spare dp capacity.

While BR computer shops are still at the "concept stage," Mr Benz said that the sale of computer time and the programming skills of his staff was under active consideration: "I think that it is much more feasible, because there is less of a conflict between using the resources we have for operational work and more commercially outside BR."

Computer services are an increasingly profitable business, and the success of the NCB's Compower provides some measure of how CSS might fare in the open market. Both operations run ICL, IBM and IBM compatible mainframes; having several hundred programmers and operators and a varied diet of dp work from engineering to accounts.

Mr Duncan Black, secretary of Compower, agreed that there was some similarity between the NCB and BR dp operations. He said that his company's £4.7m profit last year was up 15 per cent, on a turnover of some £25m.

A quarter of this work was for external customers, largely buying computer time on a bureaux basis. He added that selling software was fast becoming the "dominant" portion of business outside the NCB.

Mr Benz agreed that selling software skills is the most profitable computer service to offer, and said that CSS might skip the declining bureaux service and jump straight forward to become a programming house in the mould of Logica.

> "We have more experience than most other organisations in the use of large numbers of microcomputers, for instance, in the development of networked systems."

"We have more experience than most other organisations in the use of large numbers of microcomputers, for instance, in the development of networked systems, in linking them to mainframes, or in tailoring the software to do anything from CAD/CAM to office automation," Mr Benz said.

The final word rests with the Board, which will soon be casting an eye over the CSS business plan aided by its first director of Information Systems and Technology, Mr David Cobbett, recently appointed to oversee computing at BR.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

THE QUESTION is: where should manufacturing companies concentrate their greatest effort? Maurice Glynn, chairman and chief executive of American Can UK subsidiary, has no doubts. "Money is made on the shopfloor. The quality and competitiveness of your manufacturing is where you get the edge."

How American Can freed managers from the daily grind

Nick Garnett on the impact of a business control system

American Can (UK) is a case study in the way one tool for raising business performance — a comprehensive computerised business control system — has exerted a profound effect on the company from the shopfloor to the upper reaches of executive decision-taking.

Installation of an integrated system encapsulating manufacturing, distribution and finance and run by a very comprehensive software package has permitted the company to introduce, among other things, a crewing arrangement unique in the UK canning industry for one of its shift systems. Some other can companies with computerised manufacturing systems are moving in a similar direction.

It has stripped away from plant managers what Glynn terms "peripheral" jobs which hamper the task for which these managers are paid — making cans — married actual output more closely to production forecasts and freed senior executives from much of the day-to-day grind of production management.

Less surprisingly, perhaps, it has contributed to a drop over the past three years in the amount of raw materials held in stock and in work-in-progress from more than 80 days' worth of production to 63 and a more than 40 per cent cut in white collar staff.

But just as American Can provides an example of how the influence of a computerised business system can cascade all the way down to machine maintenance planning and shop-floor manning it also underlines that with it comes new problems which also require managing.

American Can moved into new headquarters in Congleton, Cheshire, early last year where it had installed an integrated data system which it had partly developed itself to cover Congleton and the company's four can and one drum manufacturing sites.

The system provides a database on orders, inventories, work in progress and capacity planning through cost and stock control and invoicing right up to how the company reports its finances.

Before this, American Can recognised that it had at least three problems which it believes are common in manufacturing.

One of the most debilitating was the unending clash between the conflicting requirements of sales, production and financial control. The finance director for example wants the smallest possible amount of cash tied up in the business. Production, on the other hand, would like safety fallback levels of raw material stocks and simple long-run manufacturing programmes, while sales wants lots of production of everything at all times.

That kind of conflict leads to many man-hours lost in interminable meetings. It did in American Can.

In many cases which are fortunate enough to have relatively fully loaded plants, the resulting mess is left for progress chasers to sort out.

At that time in the late 1970s American Can was facing escalating manpower costs and, on the horizon, a need to learn the trick of manufacturing with lower raw material stocks in order to save costs. These pressures were being exacerbated by market overcapacity and distress selling.

The computerised business system goes a long way towards resolving some of these conflicts. Putting it in a simplified way all the facts relevant to manufacturing — order levels, inventory, capacity, machine-maintenance, downtime and so on — are fed into the system which then computes a manufacturing programme. Apart from emergencies and rapid shifts in the market everyone is expected to stick to the programme. That lessens the opportunity for managers to come out with the classic "that sounds logical but my gut feeling is that we should . . ." Glynn hates that phrase. "Gut feeling for things costs you money," he says.

The timing of plant maintenance is fed into the programme and that timing is one of the tasks effectively removed from plant managers. So too is the purchasing of raw materials and inventory controls. What remains is the task of managing those elements of the job which have a direct impact on production — machinery utilisation, tooling changes, labour.

"We tell plant managers that their job is to meet production targets with the highest quality, lowest cost and least scrap," says Glynn. "Our job is to make sure they have everything they need to complete the programme."

American Can now claims to be manufacturing to ±2 per cent of forecasts which it says gives it greater confidence in the way it loads up its plans. For top management that means taking much of the routine production planning out of their lap giving them more time on company direction.

The company's most modern factory at Runcorn, Cheshire, and part of its Grantham factory, have been run with five crews on its four shift system since the beginning of the year. The addition of an extra crew above normal industry practice adds to the plant's headcount but permits the abandonment of costly overtime payments. To run such a crewing system successfully, however, the plant has to operate continuously at peak capacity. American Can says an integrated management database is the only reliable planning tool for preventing a manufacturing programme staggering along through peaks and troughs.

Metal Box, which has also moved into computerised production, is introducing a five crew system at two plants in January, though on a different shift basis from American Can.

One drawback to an integrated business system is that its logic pushes the company into paying its raw material and other suppliers earlier than it used to do in a more manual system.

That means that money is leaving the company faster than it would otherwise have done but Glynn is hoping to use that as Brownie points when negotiating supply contracts.

Because the system allows the company to compute quickly what influence a change in the manufacturing programme will have on all other facets of its business it also means that the company should be more adept at tampering with production programmes. The business system is in place to do precisely the opposite, however, by removing the need to make unnecessary, costly and time-consuming switches in production schedules.

At the end of the day computers do not negate the general principle that a company's performance largely rests in the hands of its management.

. . . and now foresees the day of the Trifid

AMERICAN CAN'S UK subsidiary this year joined the club of manufacturing companies now practising lateral thinking. With the setting up this week of its Trifid software subsidiary it has been added to the list of manufacturers which now market the software packages they have developed or enhanced for their own manufacturing, commercial and financial operations.

BTR has recently established its real-time business systems subsidiary to take its activities a stage further. Imperial Metal Industries has already passed its target for this year of selling £500,000 of its software through IMI Computing. BL, through Leyland Systems, has been very successful in selling its manufacturing-orientated software.

Potential sales of software could radically alter the finances of some of these manufacturers. The National Computing Centre says that only some 2 per cent of medium-sized and large UK manufacturers possess comprehensive systems. But American Can UK's Maurice Glynn says: "My horizon is that it will overtake can-making."

It has a long way to go though. Turnover for American Can (UK), including European operations controlled from Britain, amounts to £100m as against the six software systems (each costing up to £50,000) it sold before setting up Trifid.

Employing 1,400 in Britain and with 20 per cent of the home can market, American Can's margins, like those of other can-makers, have been cut to the bone. The sale price of beer and beverage cans is no higher than it was three and a half years ago.

In the case of American Can (UK), however, diversification into the selling of its computer software — an enhancement of one originated by SMI, a Chicago-based software company, and sold as a whole or in three separate systems for different business functions—is part of a metamorphosis of its U.S. parent.

The American Can company—based in Greenwich, Connecticut—has forked out $700m in the past 18 months on a restructuring which is one of the largest and most rapid in U.S. corporate history.

At the end of 1981, the group obtained 80 per cent of its revenue from the manufacture and sale of packaging materials. It has subsequently sold its interests in forestry products and used the money to improve its can-making operation and expand its financial services and specialist retailing activities.

The group, which employs 38,000 worldwide and had revenue of $1.6bn in the first half of this year now depends on packaging (mainly can-making) for only one third of its turnover.

The other two thirds are derived equally from financial services and from retailing, which includes mail order and music tape distribution.

Now that it is in the business of selling software packages it will find it ironic that a development partly designed to improve efficiency of traditional manufacturing will be used by some companies to reduce their dependence on that manufacturing.

Workers fight to control their jobs

WHAT REASONS do industrial managers have for introducing new microelectronics technology to production lines? Purely economic ones, most would say. Efficiency is improved by reliable computer-controlled machines, lower manning levels, and more consistent quality. The "de-skilling" of manual workers, though unfortunate if it occurs, is a by-product.

But is that what they really think? Recent research in West Midlands engineering companies suggests that behind their rationales of technical efficiency, many managers also use technology as a weapon in shopfloor politics — to regain control, which they have let slip, over working practices and the pace of output.

Barry Wilkinson, recently of Nottingham University and new lecturer in business administration at the University of Singapore, describes his research in an article in Industrial Relations Journal* and in a book.** He also provides a fascinating insight into the "subterranean and unorganised" ways in which workers try to keep control over their work, often well away from the union negotiating table.

At a metal plating company, automation did away with the manual use of control levers to dunk components into vats of zinc, chrome and aluminium. The process became controlled electronically. The three workers per line were cut to two, and their tasks were reduced to loading and unloading.

The reasons for the change were not purely those of technical efficiency. Management wanted to wrest control over the pace and quality of output from "lazy, unreliable and bolshie" workers who took lots of time off work, took long breaks, and worked slowly, leaving components in vats for longer than necessary.

Instead of leaving the electronic control panels on the machines, the company put them in a room where only managers and one or two engineers were allowed: "The platers can not get at them here," the manager told Wilkinson.

The workers fought back. A manual override device was given them for use in the early stages when the system was being "debugged," but they continued to use it long afterwards and managers had the devil's job trying to stop them. The platers said they could get a better quality finish manually and reduce the scrap rate. They complained that management's standards were shoddy.

A rubber moulding company had a similar problem, but avoided getting its fingers burnt twice. The next time it introduced new machinery, it had working practices designed in detail by development and process staff in advance, so the system was ready straightaway for full production.

Managers, of course, would argue that these supposedly "political" acts were at root economic. They were needed to be more productive. But Wilkinson contends that there are conflicting versions of efficiency, using the platers' case as an example; and he argues that the unwarranted notion that the choice of technology is politically neutral has helped managers avoid having to negotiate over it.

Some of his case studies show the now-familiar battles between blue- and white-collar workers over new equipment. In one machine shop, programmers were supposed to do all the programming and editing, and were annoyed to find the manual workers doing their own unofficial tape-editing on computer-controlled machines.

Wilkinson believes this kind of ingenuity among manual workers shows that their skills can be used in a more humane kind of technology. Machines can be designed for operators to programme: a team at University of Manchester Institute of Science and Technology is working on just this.

But he recognises that managements are more likely to adopt even more centralised control systems, which threaten the roles of both blue and white-collar workers. One central computer can control several machine tools simultaneously.

*Vol. 14 No. 2; Adult Education Dept, Nottingham University NG7 2RD.

**The Shopfloor Politics of New Technology, Heinemann, £5.95.

Brian Groom

You can expect a longer life. But will it be worth living?

Source: Office for Population, Censuses and Surveys.

140 years ago, it was a lucky man who lived to see his grandchildren.

Nowadays, you'll probably live to see them happily married.

Much of this change can be attributed to the achievements of medicine.

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Hoechst

Reagan went against Thatcher's advice on invasion

BY IVOR OWEN

PRESIDENT RONALD REAGAN went against the advice given him by Mrs Margaret Thatcher, the British Prime Minister, when he ordered U.S. forces to participate in the invasion of Grenada, the British House of Commons was told yesterday.

It was the PM herself who revealed that in a telephone conversation with the President late on Monday she stressed Britain's "very considerable doubts" about the initiation of such an operation.

She told MPs that she had asked the President to "weigh carefully" several points which she had raised before taking any irrevocable decision to act.

The PM stopped short of an outright condemnation of the action taken by the U.S. as did Sir Geoffrey Howe, the Foreign Secretary, who wilted under a barrage of Opposition criticism and some barbed questions from the Government backbenches.

His clumsy and embarrassed balancing act as he sought to avoid giving a direct answer when repeatedly challanged to say whether Britain approved or disapproved of the U.S. action clearly made his senior Cabinet colleagues and many Tory backbenchers most uncomfortable.

Sir Geoffrey repeatedly emphasised that the need to protect American citizens in Grenada—they outnumber British citizens by five to one—had been the first and foremost reason for the U.S. intervention.

Mr Denis Healey, Labour's "shadow" Foreign Secretary, who protested that President Reagan had "walked all over" the British PM, led an unremitting onslaught on the Foreign Secretary whose increasingly unhappy performance brought repeated shouts of "resign" from the Opposition benches.

At one point, he admitted not knowing the whereabouts of the British Governor General of Grenada, and his ineffective retort when Mr Andrew Faulds (Lab, Warley East) dismissed the U.S. Administration as "ignorant businessmen led by a President who is a dangerous cretin" added to the unease on Government benches.

Sir Geoffrey lamely told Mr Faulds that "as a most distinguished actor" himself he was in no position to criticise the President of the U.S.

Mr Enoch Powell, (Official Ulster Unionist, Down South) heaped further embarrassment on the Government by contending that the U.S. action in Grenada—coming only hours after the Foreign Secretary had told the Comons that he had no reason to think American military intervention was likely—cast fundamental doubts on the value of the Anglo-U.S. alliance.

He urged the PM to learn the lesson that no undertaking which might be offered by the U.S. either as to the use which might be made of nuclear missiles located in Britain or as to the consultations which would precede their use could be relied upon.

Mrs Thatcher insisted that at no time had the U.S. given an undertaking that it would not intervene. She refused to accept that any parallel could be drawn between the events in the Caribbean and the conditions governing the deployment of U.S. nuclear weapons in Britain.

The Prime Minister also underlined the fact that the views of a number of other Caribbean states had "weighed very heavily and conclusively" with the U.S.

She acknowledged that the states in the area "undoubtedly see things in a much different perspective from that which we do." Mrs Thatcher pointed out that some of the states had contributed to the force which had intervened in Grenada.

Anthony Robinson adds: The Soviet news agency Tass attacked the U.S.-led invasion of Grenada as "imperialist intervention" aimed at "putting a stop to the revolutionary process in Grenada and again subordinate it to neo-colonianlist rule." It described participation of forces from other Caribbean nations as a "figleaf to cover the U.S. intervention."

In London, Mr Georgi Arbatov, head of Moscow's U.S. and Canada institute and adviser to the Soviet leadership commented: "Although some fault lies with the Grenadans themselves, the U.S. has taken advantage immediately to pursue its imperialistic plans." Mr Arbatov was speaking at a press conference to launch his book "Cold War or detente."

Until now, the Soviet Press has described last week's shooting of Maurice Bishop and other New Jewel Movement leaders and the subsequent Leftist and military take-over as an internal affair to be solved by the Grenadan people.

But an official Government statement issued by Tass revealed the Soviet Government's concern that the latest events in Grenada might precipitate further difficulties for its ally Nicaragua. "The Nicaraguan people are threatened with outright invasion by U.S. forces," the statement said.

Without even mentioning Grenada, the statement added: "The Soviet Government resolutely condemns the aggressive U.S. course with respect to Nicaragua . . . interference in Nicaraguan affairs must stop."

Meanwhile in Paris, the French Communist Party called the invasion of Grenada "a crime against international law, against the independence of peoples" and said the U.S. was taking advantage of an internal tragedy to impose its regime on a weaker people.

● The European Community yesterday froze its programme of aid to Grenada. The EC Commission said the freeze would halt disbursements and approval of new development projects. In addition, Grenada will be dropped from the itinerary of a group of European development fund officials visiting the Caribbean next month.

About $2m remains to be spent in Grenada from a $3m five-year EEC aid programme ending in 1985.

UNITED NATIONS—Nicaragua yesterday asked for an urgent meeting of the Security Council to consider the United States military action in Grenada, UN official sources said.

They said the council members would meet privately yesterday night

Secretary General Javier Perez De Cuellar in a statement expressed "grave concern" over the landing. He said he was "particularly disturbed over the possibility that the escalation of tensions could further complicate an already complex situation in the region."

His statement was issued after Jeane Kirkpatrick, the chief U.S. delegate, informed the Secretary General of the American action. Reuter

President Reagan announcing the invasion with Dominican Prime Minister Eugenia Charles

Caricom members differ over purpose of action

Differences emerged yesterday between members of the 13-nation Caribbean Economic Community (Caricom) and the United States over their interpretation as to the purpose of the invasion of Grenada, Canute James writes.

The Prime Minister of Dominica, Mrs Eugenia Charles, chairman of the Organisation of Eastern Caribbean States, said: "We have to ensure that an interim Government is established in Grenada made up of good administrators who can put Grenada back on the path towards democracy so elections can take place as soon as possible."

Her statement was at odds with President Reagan's explanation that the invasion was intended to protect the 1,100 Americans in Grenada. There is no indication as to how long the multi-national force will remain in Grenada. If it is to clear the way for a civilian government and elections, it will have to remain much longer than the one week which the heads of the U.S. armed forces have suggested.

Countdown to invasion

Feb. 7, 1974—Grenada becomes independent from UK.

March 13, 1979: "People's Revolutionary Army" led by Mr Maurice Bishop takes over power while Prime Minister Sir Eric Gairy is abroad. Two people killed in the coup.

March 23, 1983: Mr Bishop puts armed forces on alert, saying he has discovered U.S.-backed plan for attack on Grenadan, Cuban and Nicaraguan exiles operating from an island a few miles away.

Oct. 13: Mr Bishop placed under house arrest.

Oct. 14: Official radio reports Deputy Prime Minister Bernard Coard's resignation because of rumours he had plotted to kill Mr Bishop. But in other reports Mr Coard, a radical hardliner, is said to have taken power.

Oct. 17: General Hudson Austin, the Army chief, says Mr Bishop has been expelled from the ruling New Jewel Movement for refusing to share power with Mr Coard and for having disgraced the revolution. He denies there has been a military takeover.

Oct. 19: Thousands of Mr Bishop's supporters free him from house arrest, demonstrate in front of Army headquarters. Mr Bishop and three ministers, as well as two union leaders, killed by the Army which takes over the Government.

Oct. 20: Cuba condemns killing of Mr Bishop, says it had no part in upheaval but leaves door open for close relations.

Oct. 21: Military rulers say island in danger of attack. U.S. task force of 2,000 marines led by aircraft carrier Independence heads for region for possible evacuation of 1,000 Americans. Whereabouts of Mr Coard remain mystery.

Oct. 24: Rulers relax curfew, pledge to form civilian Government. U.S. marines arrive in Barbados.

Oct. 25: Grenadan authorities say island under invasion. President Ronald Reagan announces U.S. forces joined by troops of six Caribbean countries had invaded to restore democratic institutions.

Reuter

Total eclipse for Bishop's New Jewel Movement

FOR OVER a year before his execution last week, at the hands of his own army, Mr Maurice Bishop, Grenada's Prime Minister, regularly warned his small nation of 110,000 people that the United States was on the point of invading the island. President Reagan, he believed, wanted to squash the impertinent pretentions of a left-wing enclave in Brazil's back yard.

The warning cry served to rally support for a regime which had by then lost most of the public support it had had when it seized power in March 1979. The external threat also served as a convenient excuse to put off persistent demands for a return to constitutional democracy.

The invasion of Grenada by a mixed force of U.S. troops and units from Grenada's neighbours in Caricom—the Caribbean Economic Community—will abruptly halt the People's Revolutionary Government in its tracks.

Grenada is the most southerly of the Windward Islands. It is a 334 sq km hilly island densely covered in tropical forest and criss-crossed by atrocious roads. It embraces several tiny island dependencies.

More densely inhabited than most of its neighbours, the population pressures have traditionally been eased only by emigration. As much as a third of the population is believed to be resident abroad, mostly in oil-rich Trinidad and Tobago, or else in Britain.

The economy is based heavily on the export of three agricultural crops: cocoa, bananas and nutmegs—the latter giving Grenada its nickname of the Spice Island. Geest, the British company, is the monopoly buyer of the banana crop.

After independence from Britain in February, 1974 the island was ruled by the eccentric and increasingly dictatorial Sir Eric Gairy, a man much more interested in Unidentified Flying Objects than he was in the island's wellbeing. The Queen is still represented in Grenada by a Governor General, Sir Paul Scoon.

The New Jewel Movement of Maurice Bishop and Bernard Coard—a band of left-wing, mainly London-educated idealists who spent some time hiding out in the northern forests—did not need to do much to take over. Their almost bloodless coup was managed through smuggling rifles in old oil drums onto the island.

Under Bishop, Grenada moved rapidly to cement closer ties with Cuba—believed to have been the inspiration behind the takeover. Cuban financial and technical assistance has been extensive, particularly in the connection with the building of a badly needed international airport and in training the country's 1,000 man defence force.

A $76m airport with its 9,000-foot runway, due to be opened next March, was regarded with grave suspicion in Washington. U.S. officials publicly described Grenada as a "stationary aircraft carrier" for Cuba and the Soviet bloc—a charge never convincingly established despite the large embassies both Cuba and the Soviet Union had set up not far from the airport.

Andrew Whitley

First active military adventure for Caricom

By Canute James in Kingston, Jamaica

THE INVOLVEMENT of troops from members of the Caribbean Economic Community (Caricom) in yesterday's invasion of Grenada represents the first active military adventure for the 13-member organisation and is likely to profoundly change its future outlook.

The Community has been split on the issue of military intervention, and diplomats in the region say those who have been against the move may reconsider their membership.

The Community was created 10 years ago from what was the Caribbean Free Trade Association. CFTA had been formed five years earlier and comprised the region's English-speaking countries — all former British colonies and some existing colonies — stretching from Belize in Central America through the Caribbean archipelago to Guyana

In the past decade, the Community has confined itself to fostering trade and functional co-operation between its members. Preferential access is granted for goods traded between members, with trade being based on a range of light manufactures such as garments, processed food and industrial chemicals.

The countries of the Community also co-operated in air and sea transportation, meteorology, agriculture, health and education. They adopted a joint approach in trade negotiations with the European Economic Community and, more recently, with the U.S.

The Community has had its internal political differences, but so far these have been contained without threat to membership.

Mr Forbes Burnham, the President of Guyana, has not been regarded favourably by his colleagues because of alleged violations of human rights. Similar criticisms were levelled at Mr Maurice Bishop, the Prime Minister of Grenada, executed last week.

With a population of 4.5m, the community made unsuccessful efforts to include the Dominican Republic and Surinam as its first non-English-speaking members.

The Organisation of Eastern Caribbean States, which made the request for foreign assistance for the invasion of Grenada, which was suspended as a member last week, was formally created last year to give a greater voice in Community affairs to the six smaller islanders in the area. These states made the request for assistance because they felt threatened by events in Grenada.

Some members of the OECS signed an agreement eight months ago for military co-operation. They were motivated by the growing militarisation of Grenada as well as by suspected plots to overthrow the Government of Dominica.

Yesterday's invasion will clearly force some members, Guyana in particular, to reconsider their position in the Community. The invasion was denounced by President Burnham, who refused over the weekend to join other countries in planning it. Mr Burnham said instead that he would send his troops to protect the integrity of Grenada if there was an invasion by foreign forces.

The leaders of Trinidad and Tobago and the Bahamas also did not support military intervention but are not likely to take any drastic action regarding their membership of the Community.

OTHER AMERICAN NEWS

Feldstein warns of deficit effect

BY STEWART FLEMING IN WASHINGTON

MR MARTIN FELSTEIN, chairman of the Council of Economic Advisers, warned yesterday that surging U.S. trade deficits are harming important sectors of U.S. industry.

In hearings in Congress, Mr Feldstein said that the U.S. trade deficit in 1983 is likely to be between $60bn-$70bn, double the 1982 level of $36bn. For 1984 Mr Feldstein said the deficit could rise to over $100bn, reflecting a drop in exports and a large increase in imports.

"Both of these trends are doing substantial damage to major segments of American industry" he added. The deterioration in the trade balance is primarily due to the rise in the real exchange rate of the dollar relative to the other major currencies of the world, he said.

Citing high real interest rates in the U.S. coupled with investor confidence that U.S. inflation will remain low as the main factors behind the strong dollar and heavy trade deficit, Mr Feldstein said an increase in private savings or a reduction in Budget deficits is the main hope for shifting the dollar's value

● Increases in car and housing costs sparked a 0.5 per cent rise in U.S. consumer prices in September, the biggest rise in five months, the Labour Department reported yesterday. The increase is only slightly up on the 0.4 per cent rise in the previous two months.

In the first nine months of the year, the CPI rose at a seasonally-adjusted annual rate of 3.7 per cent, the Department said. In the third quarter, the increase was 5.3 per cent compared with 5.4 per cent in the second quarter.

De Lorean trial 'prejudiced'

BY LOUISE KEHOE IN SAN FRANCISCO

THE TRIAL of Mr John De Lorean on charges of drugs trafficking has been postponed while defence lawyers for the former automobile executive prepare motions for dismissal of all charges. The delay and possible dismissal plea came as a result of the weekend broadcast by CBS television news of video tapes showing De Lorean taking delivery of a suitcase of cocaine and his arrest by the FBI.

The De Lorean trial has been scheduled to begin in Los Angeles on November 1. No new trial date has been set. Granting the trial delay, a Federal Judge in Los Angeles accused CBS News of interfering with the judicial process by airing the FBI surveillance tapes which were to have been used in evidence by the prosecuting U.S. Attorney.

"The CBS interference in that process may have devastating effects," said U.S. District Judge Robert Takasugi. "Justice and the judicial system may have been severely compromised." Lawyers on both sides of the case have expressed concern that the showing of the tapes will prejudice De Lorean's trial.

The video tapes broadcast by CBS show Mr De Lorean meeting with undercover Federal Bureau of Investigation agents in a Los Angeles hotel room. One of the agents presents De Lorean with a suitcase said to contain cocaine worth $4.5m (£3m). Mr De Lorean is heard to say: "This is as good as gold." FBI agents then enter the room and arrest De Lorean

Mexico reschedules more debt

MEXICO has virtually completed the rescheduling of its $23bn (£15m) public sector debt with the signing in New York yesterday of eight separate restructuring agreements covering $2.95n, William Hall writes from New York.

Yesterday's signing was similar to earlier rescheduling agreements covering $11.4bn in August and $8.3bn last month and involves the refinancing of payments falling due between August 23, 1982, and December 31, 1984 into an eight-year loan with a four year grace period. The credit will carry a rate of 1⅞ per cent over the London interbank offered rate of 1¾ per cent over U.S. prime rate at the lender's option.

Jamaica in IMF row

JAMAICA and the International Monetary Fund are wrangling over whether the island has met economic performance criteria, and is thus eligible for continued drawdowns from a current three-year credit facility of US$650m, Canute James writes from Kingston.

WORLD TRADE NEWS

World airlines may impose ticket discounting sanctions

BY MICHAEL DONNE IN NEW DELHI

THE WORLD'S airline industry, facing losses each year of up to \$1.5bn (£1bn) on "ticket discounting"—the sale of tickets at less than officially prevailing rates—yesterday decided to study the possibility of imposing sanctions on airlines which adopt this practice.

After a long debate at the annual meeting of the International Air Transport Association in New Delhi, at which it was clear that the airlines are far from united on this issue, it was decided to adopt a resolution that soothed all ruffled feelings but which may have doubtful long-term effectiveness.

The resolution, calling on the director-general of the association and its executive committee to "give high priority to the study and implementation of sanctions where this might be possible" against offending airlines, was passed without dissent.

But it was clear that many airline chief executives and chairmen remained either silent or did not dissent because they do not sincerely believe that any resolution in the Iata forum is likely to have any effect.

The problem of ticket discounting is widespread—in the UK it is done through the so-called "bucket shops"—but in other parts of the world through many normal travel agency outlets or even directly by the airlines, with often tacit consent and protection of governments.

Ticket discounting represents the world airline industry's worst problem in terms of the annual drain on its revenues. The other major problem is "blocked earnings" where countries refuse to allow foreign airlines to send back home the money they earn from ticket sales in those countries.

International airline representatives passed an air safety resolution in New Delhi yesterday after deleting mention of the shooting down of a Korean airliner last month, AP reports.

The resolution said the International Air Transport Association considers "the use of force against civil aircraft, recently and in the past, in the air and from the ground" as a matter of the gravest concern affecting air safety."

This latter practice costs the airlines at least \$800m annually and is getting worse. But the problem of ticket discounting appears to be even more serious and is deteriorating by the year.

Even the airlines do not know the extent of the revenue losses they incur through the sale of tickets at below face-value prices. One senior airline chairman from the Middle East put the figure at \$1.5bn and declared that figure was conservative.

At yesterday's meeting, no clear solutions emerged. Some airlines were in favour of passing the whole problem to governments, others supported extension of current "monitoring" efforts by the airlines' own inspectors world-wide. Others thought the problem was almost insuperable and they should live with it.

In the ensuing debate, airlines could not even agree on what form of sanctions they should apply, and who was going to apply them. The resolution, proposed by Air France, was watered down so that, as finally approved, it merely suggested that the IATA secretariat should study "the implementation of a sanctions programme where this might be possible."

Pakistan gears up for automotive industry boom

BY JOHN ELLIOTT IN KARACHI

PAKISTAN'S first large-scale foundry designed specifically to make castings for the country's rapidly growing automotive industry, is to be built soon near Karachi by the Government-owned Pakistan Automobile Corporation.

The castings will be used for Suzuki 800cc cars and vans and for Massey Ferguson and Fiat tractors produced by the corporation.

Assembly of Suzuki vehicles, which are also to be produced next month in India by an entirely separate operation, started a year ago. Some 800 vehicles are being assembled a month and the target is 1,800 a month by the middle of next year.

Locally, manufacturing is expected to start early next year after a joint company has been set up by Suzuki and the corporation. Royalties to be paid by the corporation to Suzuki are taking longer than expected to agree and this is delaying the start of the local manufacture.

The new foundry is expected to cost about \$10m (£6m) and was given approval by the executive committee of the Government's National Economic Council at the weekend.

The foundry is expected to be in production within two years. By that time the Government-owned steelworks now being built with Russian help at Pipri outside Karachi should be providing sufficient output to meet requirements for about 6,000 tonnes of castings a year.

This project follows another foundry development in the private sector by the Habib family group of Karachi. Called the Baluchistan Foundry, Habib's development is in trial production.

It is costing about \$8m and will produce malleable iron and other castings for the automotive, defence equipment, and pipe-fitting industries.

Both projects are employing British consultants. Foundry Management Development is working for the automobile corporation which will soon be inviting world-wide tenders for equipment costing some \$5m-\$6m covered by an Asian Development Bank loan. Kenneth Evans is working for Habib, which has mainly used European machinery.

The projects are significant because of the low level of Pakistan's industrialisation.

They will form part of a series of downstream developments from the Pipri steelworks which is also expected to feed a large-diameter pipe plant and a wire rod factory now being planned by two other Karachi companies, Crescent and Ashwani.

Along with a wheels factory about to go into production for the Automobile Corporation with technical assistance from GKN of the UK, they also form part of the first stages of the indigenisation of the country's expanding automotive industry.

UK company wins order for Kalahari rail study

By J. D. F. Jones in Johannesburg

THE BUILDING of a \$1bn (£666m) Trans-Kalahari Railway, linking the heart of Central Africa to the Atlantic Ocean, has moved one step closer with the Botswana Government's award of the full feasibility study to a British firm of consultants, Henderson Travers Morgan.

The 1,400-km Trans-Kalahari route—or the Trans-Kgalagadi Railway, as it is known here—would be one of the world's last great railway projects.

It could only be justified by the annual export of more than 10m tons of Botswana's coal.

Five international groups, led by Shell Coal, are at present engaged in assessing the coal reserves in the far-east of the country, adjoining South Africa.

Few people in Gaborone believe that the project can be feasible in the present depressed state of the world coal market, but the more optimistic assume that the market will recover in the next decade.

They also argue that a Trans-Kalahari route would help in the development of Botswana's enormous, empty hinterland.

Officials and advisers here agree that the first stage in the exploitation of Botswana's coal must be to export it via the eastern route, through the South African Railways system which terminates at Ellisras, 100 miles across the border from the coalfields. Studies of the eastern route have been completed.

Shell Coal and the Botswana Government in July 1982 signed a joint venture agreement allowing two years for feasibility studies of the Kgaswe project (formerly known as Serowe), with another 12-month interval before a final decision on whether to develop a mine, or mines.

The Kgaswe coal could probably all be exported east via South Africa—at perhaps 5m tons a year.

But Amax, Charbonnages de France, Total and BP are all active in an area south of Kgaswe around Mmamabula, thus encouraging Botswana's hopes that the western route might also one day be feasible—and financeable.

The Henderson Travers Morgan contract, worth about Pula 1m (£625,000) to be paid for by the Botswana Government, will take 15 months. The task is to assess and cost the construction and also operation of a route to the Atlantic, including a study for a port site at or near Walvis Bay.

This will be just one of the many problems confronting the project.

It has always been assumed that the Trans-Kalahari Railway would link up with the Namibian (South-West African) rail network but this would seem to presuppose a settlement to the long-standing diplomatic dispute over South Africa's presence in Namibia.

To make things even more complicated, Walvis Bay is technically a South African enclave on the coast of Namibia and the South African Government has always discouraged hopes that it might cede the port to an independent Namibia.

However, since no one here believes the railway could be running in less than 10 years, there is still plenty of time for a diplomatic solution.

The more decisive factor is going to be the estimate of the world coal demand in the next decade and the price the fairly low-grade Botswana coal might command.

Mid-East power stations order for Belfast

By Brendan Keenan in Dublin

A BELFAST engineering company, which has carved a niche for itself in the Middle East, has won a £10m order to supply small power stations in the region.

F. G. Wilson has grown in 10 years to one of Europe's leading manufacturers of power generating equipment. The present order will supply nine stations to various German, French and U.S. main contractors to provide power for facilities in remote areas.

The stations, of 7.5 MW and 4.5 MW, must all be commissioned and running by next March, and F. G. Wilson has taken on around 100 extra workers at its Belfast plant.

Two other Wilson companies are supplying the electrical switchgear and controls and the cooling and silencing systems for the stations, which are being installed on site by the company's engineers.

F. G. Wilson now employs around 500 people with more than 80 per cent of its output being sold outside the EEC.

Counterfeiters are finding the climate has changed, **Bob King** writes

Why Taipei's fakers are running scared

UNTIL just a few months ago, a dozen small watch and clock shops along Taipei's Linshen North Road had the hottest commodities in town: expertly-crafted copies of high-value watches by companies such as Rolex, Cartier, and Piaget. Foreign visitors were their biggest clients, snapping up \$25 to \$50 copies by the handful from display cases set literally on the sidewalk.

Nowadays, though, Linshen North Road's watchmakers are running scared. They do business from small back-rooms whose doors are cleverly disguised as wall-panels or from nondescript houses around the corner. Display cases, once crammed with hundreds of watches, now contain only a few, packaged in small lots in case the shopkeeper has to bolt through a back door. Some weeks, the shops are shuttered for days on end, a sign that a police raid has taken place somewhere close by.

"I hate these shops—they're giving my country a bad name," remarks an investigator for Taiwan's Ministry of Justice on a stroll through the neighbourhood.

Before Taiwan's authorities decided that counterfeiting was bad for the national image and sought legislation about a year ago to discourage it, the investigator's reaction would likely have been amused indifference.

Pirates would have continued with their lucrative trades, and the only probable penalty would have been a slightly thicker "red envelope," or pay-off, to the local constabulary during sporadic law-and-order campaigns

But the climate now is different. If pirates have not yet learned that counterfeiting is morally wrong, they have at least discovered that it can be downright risky. And if the tone of official pronouncements indicates anything it is that the Government plans to keep the heat on this time.

Take editorials in the local English-language Press—which generally reflect prevailing Government policy — for instance. A couple of years ago, the papers were hedging their bets, saying, yes, counterfeiting was wrong, but that moral issues ought to be weighed against the amount of foreign exchange exports of fakes earned for the country. One editorial even went so far as to say that stopping counterfeiting could have a serious effect on Taiwan's export trade.

Nowadays, though, no one invokes the flag in defense of fakery. Quite the opposite: the editorial pages now brand counterfeiting "a national disgrace." Mr Y. T. Chao, Taiwan's Economics Minister, recently told the legislature that counterfeiting is one of the most serious problems facing Taiwan's industry. Taiwan, earlier this year, passed a toughened revision of its trademark law that ensures that convicted counterfeiters will have to serve time in jail, and a similar measure covering copyright is now before the legislature.

These pronouncements and measures indicate that the message has penetrated official ranks and that, if strong enforcement action is not yet the order of the day, strong intentions are.

But there is also strong resentment here over Taiwan's being singled out as the "counterfeiting capital of the world." Indeed, one could get the impression from the media and various parliamentary bodies in the developed world that Taiwan has somehow cornered the market on piracy, despite the flood of fakes from other parts of the Orient and even from within developed countries themselves. It is valid to suggest that Taiwan's diplomatic isolation, plus resentment at the trade surpluses it constantly runs with much of the developed world, have made it a convenient whipping-boy.

None of these factors excuses the violation of commercial property rights here, of course. But Taiwan's reputation and the tendency of some to automatically think of this country when ever counterfeiting is mentioned, make it that much harder for the legitimate businessman to promote his products abroad.

For instance, the head of a young electronics company, which recently developed an innovative microprocessor-based toy for pre-school children, found the going rough when he demonstrated the product to potential buyers. The consensus, it seems, was that the product was good—far too good to have been designed in Taiwan. Checks eventually confirmed that the toy was not a counterfeit but, by then, it was too late to meet marketing schedules for Christmas.

Some Taiwanese also suffer from a pirate-or-perish syndrome. "They copied the Apple 11 (the popular American home computer) down to the last detail because they figured nobody would buy something that looked like it was made in Taiwan," comments Mr Len Morgan, an independent computer consultant.

It is Government's task to put into action the new anti-counterfeiting consensus. But the Taiwanese business community also faces a task that will require a radical re-ordering of thought. Before they can convince others that Taiwan produces more than cheap, roughed-off merchandise, they must first convince themselves of the worth of their own creative efforts.

That latter task may prove to be the most difficult part of all.

Taiwan has assured the U.S. of its determination to stamp out commercial counterfeiting which has brought complaints from U.S. companies, Mr Pan Chia-sheng, Deputy Director-General of the Board of Foreign Trade said yesterday, Reuter reports from Taipei.

The assurance came during talks between Taiwanese trade officials and a visiting sub-committee of the U.S. House of Representatives, he added.

The sub-committee arrived in Taiwan last week to investigate counterfeiting and will report to congress.

Mr Pan said commercial counterfeiting was an international problem and called on all governments to crack down on it.

He stressed that buyers of fake products should also be held responsible for counterfeiting.

Mr Yao-tung Chao

Philippines imposes electronics controls

By Our Manila Correspondent

The Philippines Central Bank yesterday imposed indirect control on importation of 11 categories of electronics products in order, it said, to help conserve foreign exchange and, protect companies taking partin the Government-sponsored progressive electronics manufacturing programme.

Under Enabling Circular 956, importation of such products must have prior certification of the Ministry of Trade and Industry, the programme's regulatory body.

The International Monetary Fund and the World Bank, which have extended balance of payments deficit-financing assistance to the Philippines, are known to stress freer flow of trade. This is presumably why the Philippines Central Bank has opted for a non-monetary control device.

The following are included in the prior-certification requirement: radio-broadcast receivers, designed or adopted for fitting to motor vehicles (including receivers incorporating sound recorders or reproducers); radio-broadcast receivers, portable (including receivers incorporating sound recorders or reproducers), assembled or completely knocked-down, without cabinets.

China-Hungary talks

CHINA AND Hungary have begun negotiations on expanding their trade, technological transfers and economic co-operation, Mark Baker reports from Peking.

It is not clear in what specific areas the co-operation would take place, But China has shown interest in gaining Hungarian equipment and expertise.

UK NEWS

Telecom terms set out consumer safeguards

BY JASON CRISP

BRITISH TELECOM (BT), which runs the state-owned telecommunications industry, will be obliged to provide a full service to rural areas, give a free emergency telephone service and continue to provide public telephone boxes after it is privatised.

The conditions are contained in the long-delayed draft licence for BT, published by the Government yesterday as the Telecommunications Bill began to go through the committee stage.

A draft licence sets out BT's obligations to provide a universal telephone service and the restrictions on it to prevent it abusing its monopoly position when it is sold. The Telecommunications Bill will enable the Government to sell 51 per cent of shares in BT in what is expected to be the largest transfer of public assets to the private sector. The licence, which will be one of the key elements in valuing BT, was broadly welcomed by BT itself.

Strongest objections came yesterday from the main British Telecom unions, which accused the government of trying to bulldoze the Bill and the licence through all-night committee sessions in the House of Commons.

Mercury, the private-sector telecommunications company which is the subject of industrial action by the Post Office Engineering Union, also welcomed the licence, but feared it would not be fully protected from predatory pricing by BT.

The licence has been carefully prepared to counter some of the main criticisms that the unions have levelled in their campaign against privatisation. After shares are sold, BT will be obliged to provide rural services, call boxes and emergency services. It also obliges BT to provide special services for the disabled. For five years BT will also have to keep connection and local charges below the rate of inflation. The Government has not yet decided by how much.

BT will be able to continue to cross-subsidise these loss-making services after it is privatised. It will also be able to levy other networks – such as Mercury, the independent Hull telephone service and the new cellular radio networks – an access charge to share the cost of those loss-making services.

BT, however, strongly criticised the licence for requiring it to connect with the systems of other operators. BT objects because the licence will allow the terms and conditions of interconnection to be dictated by the Office of Telecommunications (Oftel), the new regulatory body to be established by the Bill.

Sir George Jefferson, chairman of BT, warned yesterday that if such interconnection was not agreed on mutually agreeable technical and commercial terms, it could be damaging to BT's finances and its ability to sustain and modernise the telephone network.

The licence also lays down a number of conditions and obligations on BT to prevent it abusing its dominant position in the supply of equipment. BT cannot cross-subsidise equipment supply with profits from the network services, and will have to establish separate accounting to show the director general of Oftel that it is not.

British Telecom has sharply accelerated its timetable for installing System X, Britain's digital electronic telephone exchange, Guy de Jonquieres writes. The move is expected to result in additional orders worth almost £500m over the next three years for GEC and Plessey, the two System X manufacturers.

The new timetable calls for 1.75m System X lines to be in service in Britain by the end of 1986. This is almost double the level planned by BT a year ago.

BT wins £9.3m Merrill order

By Jason Crisp in London and Paul Taylor in New York

MERRILL LYNCH, the Wall Street investment banking group, has ordered $14m (£9.34m) of advanced, computerised dealer boards developed by British Telecom (BT).

The system, developed by British Telecom's City of London area, was first installed in Williams and Glyn's international dealing room in June last year.

Merrill Lynch will use the boards to replace all its trading equipment in the U.S. Merrill said yesterday it chose BT's system over a wide range of other manufacturers' equipment "because it seemed to us it is a little more than a generation ahead of its competitors".

BT has also begun a joint venture with Centel Corporation to sell the boards – known as the City Business System – throughout the U.S.

Centel, an independent telephone system and cable television operator, expects to gain a significant share of the U.S. market of 10,000 to 12,000 of these systems.

The system replaces a mass of wires, switches and lamps with a visual display unit like a television and two telephone handsets. It can hold 10,000 pages of information.

Ray Dafter reports on privatisation of further North Sea assets

Enterprise Oil packaged for sale

ENTERPRISE OIL is in a peculiar state for a sizeable independent North Sea company.

It has a rate of production which would turn a Texas wildcatter green with envy, and is shortly to be given a bundle of exploration licences which should keep teams of geophysicists happy for years.

And yet it has no shareholder (other than Mr Peter Walker, Energy Secretary), hardly any staff and no headquarters, apart from temporary accommodation with bankers Kleinwort, Benson in the City of London.

Enterprise is, in essence, an oil company in waiting. Formed from the oil-producing interests of British Gas Corporation, the company is about to be prepared for flotation on the Stock Exchange as part of the Government's programme for privatising state-owned assets. The process was being set in train late last night. Mr Walker was telling the House of Commons about his plans for the company and, especially important, his choice of chairman.

It appears that Enterprise is to be offered to the public in the spring or summer next year. It will be a significant UK oil company, as independents go. Stockbroker Wood, Mackenzie values the company at between £400m and £450m, depending on the discount rate chosen for future cash flow.

ENTERPRISE OIL'S PRODUCTION INTERESTS ('000 barrels/day)

Field	1983	1984	1985	1986	1987	1988	1989	1990
Fulmar	1.7	2.1	2.6	2.6	2.2	2.1	1.7	1.1
Beryl	7.5	7.5	12.5	12.0	11.5	10.7	10.2	8.8
N. W. Hutton	14.2	24.8	26.1	26.0	22.9	18.1	16.8	13.4
Montrose	4.3	4.0	3.4	3.1	2.9	2.3	2.5	2.6
Hutton	–	–	4.0	8.5	8.6	8.3	8.0	7.8
Total	27.7	38.4	48.2	52.2	48.5	43.5	38.1	34.4

Note: Excluding production from the Arbroath Field, which might begin producing in 1988 providing Enterprise with an additional 5,000 b/d in that year, according to Wood, Mackenzie.

Source: de Zoete & Bevan

De Zoete and Bevan, another broker which has taken a close interest in Enterprise, estimates that the value of assets, in mid-1984 terms, should be about £480m, although much will depend on the undertaking's cash and debt positions.

Enterprise has a stake in five commercial oilfields – Beryl, Fulmar, Hutton, North West Hutton and Montrose – from which it is extracting some 29,000 barrels a day (b/d) of crude oil.

As a producer this puts the company on a par with established North Sea operators such as Amoco, London and Scottish Marine Oil (Lasmo) and Texaco.

As a result of developments now taking place in these five fields, Enterprise should see its output rising to well over 50,000 b/d by 1986. This production level will be the equivalent of about 2.2 per cent of total UK oil output.

The company's share of recoverable North Sea oil reserves is thought to total between 180m and 200m barrels. This means, according to stockbroker James Capel, that Enterprise controls more than 2 per cent of the UK's remaining commercial oil reserves.

Output will be boosted to some extent when a new field – Arbroath – is commercially exploited. But reserves here will be insufficient to arrest totally the looming production decline.

The Government has instructed British Gas to give up eight exploration licences, containing 20 blocks or part blocks, in oil-producing areas of the Continental Shelf. It seems certain that these interests will be transferred to Enterprise in order to provide a more rounded portfolio of interests.

But, with one or two exceptions these licences do not provide Enterprise with any great expectation of making a bumper discovery.

The company will either have to wait for the next round of licences in the hope of being granted more promising exploration acreage, or it must use its strong tax position to acquire promising interests from less fortunate companies.

Enterprise is ideally placed to do this, given that its heavily taxed production will enable the company to use tax credits in the exploitation of new interests.

Mr Ian Watts, oil analyst with de Zoete and Bevan, maintains that Enterprise is financially one of the best-placed independent producers on the basis of its rising production. But the company would need to acquire substantial additional exploration and development prospects.

"In this respect, a strong and experienced management will be a crucial ingredient in achieving success," he said.

Mr Peter Walker and Enterprise Oil are about to tackle this evident shortcoming. After last night's announcement of the new chairman, the company is expected to name its top management team within the next few days.

Hewlett-Packard may expand in UK

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

HEWLETT-PACKARD, the U.S. high technology electronics group, is considering further investment in Britain.

Plans appear to be well advanced and only the timing of the announcement remains to be decided. A company spokesman at the company's headquarters in California yesterday confirmed an interest in expanding in the UK, but would not disclose any details.

The venture was to have been discussed with Mr Cecil Parkinson, former Trade and Industry Secretary. Until his resignation, Mr Parkinson was to have visited the firm's Silicon Valley head office last week on a tour of the U.S. and Japan. It is not clear whether Mr Parkinson's resignation has caused a delay in the announcement.

Hewlett-Packard already has two plants in the UK, a factory making computer memory devices which was opened in Bristol in January and a plant called Telecommunications Test Equipment at South Queensferry in Scotland. Other European factories are at Stuttgart, West Germany, and Grenoble in France.

The company claims to be the world leader in electronic testing instruments and the seventh largest computer manufacturer. About half its total sales are abroad, with 31 per cent going to Europe. Its biggest single overseas markets are in the UK and West Germany. Net sales were $3.4bn in the first nine months of this year.

Further investment in the UK would be seen as a political coup by the British Government. Ministers believe they have succeeded in creating an unusually favourable climate for inward investment.

Management contest won by accountants

BY MICHAEL DIXON

THREE ACCOUNTANTS yesterday won the UK national management championship by one of the smallest margins since the computer-based contest was started 13 years ago. This year's event began in February with an entry of 690 teams.

The winners, who received their trophy from Sir Michael Edwardes, chairman of ICL, were Mr John Chappell and Mr Paul Webb, who work for Rank Xerox, and Mr Geoff Brown, who is head of finance at Shell UK in Manchester.

They managed their "paper" company in the London final to a profit of £7.52m. Second, only £40,000 behind, came a team of four from Rediffusion Radio Systems.

The three winners took home a prize of £2,000 and the Rediffusion team £1,000. M & G investment trust was third with a "paper" profit of £6.80m and a prize of £750. Watney, Combe Reid, placed fourth with £5.85m, collected £500.

The contest – sponsored annually by the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales with the Confederation of British Industry and the Institute of Directors as associate sponsors – also includes a "Plate" competition for teams knocked out of the full championship in the first round.

A £750 first prize in the Plate was won by a privately entered team led by Mr George Higgins, a Midlands engineer.

Sir Michael said the competition tested the two resources which were probably most needed by UK industry – management skills and teamwork.

"That is what the National Management Game is all about. People who have probably never worked together before overcome their individualism and together pit their wits to overcome a tough challenge," he said.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10½%
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland Ω	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
§ 21-day deposits over £1,000 6½%.
‖ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account 8.90%. Effective annual rate 9.27%.

UK NEWS

Former Rumasa chief given guarantees

By Raymond Hughes, Law Courts Correspondent

BANK guarantees totalling £25m have finally been provided for the protection of Sr José Maria Ruiz-Mateos, former head of the expropriated Spanish conglomerate, Rumasa.

They will indemnify Sr Ruiz-Mateos against any financial loss he may be held to have suffered if the Spanish courts eventually rule that the expropriation last February was invalid.

Provision of the guarantees was part of an agreement reached in July to enable a dispute over the ownership of the trademarks in Dry Sack sherry – which are valued at £25m – to be adjourned until it is fully tried in the High Court.

The Rumasa English subsidiary, Williams and Humbert, has challenged the validity of a pre-expropriation arrangement by which the trademarks were transferred from it to W & H Trade Marks (Jersey), a Channel Islands company controlled by Sr Ruiz-Mateos and members of his family.

Problems arose over the provision of counter-indemnities for the banks that were being asked to provide the guarantees. Sr Ruiz-Mateos insisted that they should not be given by banks associated with Rumasa on the ground that, were he to succeed in the litigation and regain control of Rumasa, his compensation would ultimately be paid from within the group.

Banco Exterior, the external arm of the Bank of Spain, has now given a £24.3m guarantee and Barclays Bank a £700,000 guarantee backed by Banco Exterior. In each case, it has been accepted that Banco Exterior will not be able to look to any Rumasa bank for indemnity in the event of the expropriation being declared invalid.

The Spanish Constitutional Court is expected to rule next month on the validity of the expropriation.

Hugin managers to pay £13m for their company

BY CHARLES BATCHELOR IN EINDHOVEN

ELECTROLUX, the Swedish household appliance group, is to sell the Hugin cash register subsidiary to its management in a £13m deal which will be funded largely by a group of British institutional investors.

Hugin's management, led by its group chief executive, Mr David Pope, a 44-year-old Englishman, will take up about 14 per cent of the share placement. The company has already held talks with about 30 UK institutions with a view to each of them taking up a maximum of 7 per cent of the 500,000 shares to be placed at £29 each. Hugin plans to go for a listing on the London Stock Exchange next year.

Hugin's British-led management turned a 1981 pre-tax loss of £1.42m, before exceptional items, into a £1.34m profit last year and is projecting profits of at least £2m this year and £2.9m next year.

Hugin makes electronic cash registers and point-of-sale systems – designed for retail outlets with between three and 10 checkouts – and sees its main market as the larger food and general retail stores.

It expects to achieve sales of £28.2m this year with 25 per cent of turnover in the UK and 23 per cent in Sweden. It has marketing companies in 10 countries and distributors in more than 50 others. Turnover of £38.6m is forecast for next year.

Electrolux bought Hugin from the Swedish Co-operative Union and Wholesale Society in 1981 when the group was making large losses through an unsuccessful diversification programme.

Mr Pope said: "They agreed to allow the management to become involved in the company if it was successful and was sold off. We turned Hugin round by going only for major customers and by putting the right price on our products and then taking them to cost-effective manufacturers.

"In 1980 we had 12 subsidiaries, nine of which were making losses. This year we will have 10 all making profits. We plan to diversify into integrated products such as weighing machines and hand-held terminals."

Hugin designs and markets its equipment and systems but subcontracts all manufacturing to outside companies in Sweden and Japan using tooling owned by Hugin. However, its most sophisticated system, the Datachecker, is made by NSC, a U.S. group, and sold under licence by Hugin.

Hugin will move its head office to London but for the time being will leave its administration and accounting in Stockholm.

Hambros Bank is arranging the placing of the shares and £450,000 worth of loan stock through stockbrokers Laing and Cruickshank. The net proceeds will be £12.9m. Applications close on November 11.

JAPANESE PHOTOCOPIER PLANT FOR BRITAIN

Ricoh reverses a trend

BY JASON CRISP

THE DECISION of Ricoh, Japan's largest producer of photocopiers, to set up manufacturing operation in the UK, represents a small but significant change in a trend.

For powerful competition from Japanese companies has ended much of Europe's photocopier production. More and more copiers are made in Japan, although many of them still bear the label of European companies.

Ricoh's move to manufacture at Telford, in the West Midlands, is beginning modestly. Initially it is spending £5m to build a plant to make and recondition photoconductor drums which will be replacement parts for its copiers in Europe. It will also make bottles of dry toner – the chemical which forms the image on the photocopy.

Investment is expected to rise over three years to about £15m, and the company will employ about 170 people producing 2m bottles of toner and 150,000 drums. Mr Hiroshi Hamada, president, said Ricoh might eventually assemble plain paper copiers in the UK. But the economies of scale and the strength of the Japanese component industry meant that the bulk of manufacture was likely to remain in Japan.

Even Xerox, still the world's largest photocopier company, has its small, low-cost machines made in Japan by Fuji-Xerox, the joint venture between Rank Xerox and Fuji.

The battle for the world photocopier markets – worth more than $22bn last year – has increasingly become a two-sided fight between Xerox, Rank Xerox and Fuji Xerox on one hand and a number of Japanese companies such as Ricoh, Canon, Minolta and Sharp on the other.

Xerox has been losing market share in plain paper copiers for the past 10 years since the Japanese found a way round its patents. The Japanese attack began with high volumes of low priced copiers sold through dealerships. Xerox concentrated on the top of the range sold through its large (and expensive) direct sales force. The rapid fall in copier prices and a move up market by the Japanese companies forced major changes in the Xerox companies.

Xerox has made major cuts in production costs to try to match the Japanese, including redundancies of more than 12,000 in its worldwide workforce of 120,000. Earlier this year it had its biggest new product launch with the Series 10, which replaced almost the entire range below the most expensive machines. The Series 10 has, for the time being, halted Xerox's decline in market share.

Ricoh is the largest manufacturer of photocopiers measured by the number of machines. Xerox's revenues are much greater because of its large installed base and its dominance at the expensive – and profitable – top end of the range where its only competitors are IBM and Kodak.

In the past two years Ricoh has been suffering from falling profits. (In the financial year to March 1983 it had a net income of $42m on sales of $1.6bn.)

Gold mining companies managed by

Golden Dumps

(PROPRIETARY) LIMITED

Reports of the directors for the quarter ended 30 September 1983

CONSOLIDATED MODDERFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

Issued share capital: R1 072 000

Divided into 21 440 000 ordinary shares of 5 cents each

	Quarter ended 30.9.1983	Quarter ended 30.6.1983
OPERATING RESULTS		
Underground		
Ore milled – *tons*	66 342	70 163
Gold recovered – *kilograms*	278,4	150,0
Yield – *grams per ton milled*	4,20	2,14
Revenue – *per ton milled*	R61,20	R32,28
Working costs – *per ton milled*	R50,00	R45,56
Working profit/(loss) – *per ton milled*	R11,20	(R13,28)
Revenue received – *per kilogram*	R14 583	R15 099
Working costs – *per kilogram*	R11 915	R21 311
Surface material		
Sand treated – *tons*	2 648	2 311
Gold recovered – *kilograms*	4,4	3,4
Yield – *grams per ton treated*	1,64	1,47
FINANCIAL RESULTS (R000)		
Underground		
Revenue from gold and silver	4 060	2 266
Working costs	3 317	3 197
Working profit/(loss)	743	(931)
Surface material profit	25	35
Sundry revenue	128	129
Operating profit (loss)	896	(767)
Net interest received	48	85
Net profit/(loss)	944	(682)
Capital expenditure	519	968
Available profit/(loss)	425	(1 650)
DEVELOPMENT		
North-East Prospect Shaft – Black Reef		
Advanced – *metres*	587	475
Sampled – *metres*	320	324
Payable – *metres*	82	52
Channel width – *centimetres*	16	24
Average value – *grams per ton*	175,9	477,6
– *centimetre grams per ton*	2 815	11 462
No. 14 Shaft – Kimberley Reef		
Advanced – *metres*	1 447	1 249
Sampled – *metres*	522	568
Payable – *metres*	46	62
Channel width – *centimetres*	108	194
Average value – *grams per ton*	6,4	3,7
– *centimetre grams per ton*	694	706

MINING OPERATIONS

An increase in stope tonnage from the North-East Prospect Shaft, together with improved grades at No. 14 Shaft, resulted in a significant increase in the yield from underground sources.

In respect of the North-East Prospect Shaft the payability of reef developed improved from 16% in the June quarter to 25% in the present quarter. Shareholders are cautioned, however, that the full extent of the high grade ore reserves cannot be quantified at this time. However, prospecting development is proceeding with encouraging results so far.

Unit working costs were adversely affected by the lower throughput, annual salary and wage increases and major repairs to plant which were carried out during the quarter.

CAPITAL EXPENDITURE

The unexpended balance of expenditure authorised by the Board at 30 September 1983 was R2 737 000.

20 October 1983

T. L. GIBBS
L. C. POUROULIS *Directors*

SOUTH ROODEPOORT MAIN REEF AREAS LIMITED

(Incorporated in the Republic of South Africa)

Issued share capital: R5 600 482

Divided into: 1 562 715 ordinary shares of 56 cents each
8 438 145 10% automatically convertible participating cumulative preference shares of 56 cents each

	Quarter ended 30.9.1983	Quarter ended 30.6.1983
OPERATING RESULTS		
Ore milled – *tons*	46 283	46 178
Gold recovered – *kilograms*	164,9	201,8
Yield – *grams per ton milled*	3,56	4,37
Revenue – *per ton milled*	R54,08	R64,45
Working costs – *per ton milled*	R60,30	R58,45
Working profit/(loss) – *per ton milled*	(R6,22)	R6,00
Revenue received – *per kilogram*	R15 182	R14 931
Working costs – *per kilogram*	R16 931	R13 373
FINANCIAL RESULTS (R000)		
Revenue from gold and silver	2 503	2 976
Working costs	2 791	2 699
Working profit/(loss)	(288)	277
Sundry revenue	55	51
Dividends received	97	–
Operating profit/(loss)	(136)	328
Net interest received	53	72
Net profit/(loss)	(83)	400
Capital expenditure	646	890
Available profit/(loss)	(729)	(490)
DEVELOPMENT		
Ventersdorp Contact Reef		
Advanced – *metres*	868	1 184
Sampled – *metres*	116	360
Payable – *metres*	54	122
Channel width – *centimetres*	79	79
Average value – *grams per ton*	19,2	18,3
– *centimetre grams per ton*	1 517	1 447
Kimberley Reef		
Advanced – *metres*	846	878
Sampled – *metres*	38	56
Payable – *metres*	38	24
Channel width – *centimetres*	214	222
Average value – *grams per ton*	5,9	8,1
– *centimetre grams per ton*	1 268	1 790

MINING OPERATIONS

The decrease in yield was attributable to a temporary drop in the grade of available stope faces at Gauff Shaft, and particularly a delay in bringing the K6E5 raise into full production. However, this situation has improved and an increase in yield is presently evident. The grade of ore from Saxon Shaft continues to be satisfactory.

The increase in working costs was due partly to annual wage and salary increases.

CAPITAL EXPENDITURE

The unexpended balance of capital expenditure authorised by the Board at 30 September 1983 was R1 074 000, to be expended mainly on development.

20 October 1983

H. B. MILLER
L. C. POUROULIS *Directors*

ENERGY REVIEW

A London launch for crude oil futures

By John Edwards, Commodities Editor

THE LAUNCH of the London crude oil futures contract on November 21 could have a considerable impact on a vital aspect of the oil industry—pricing.

The prime function of a futures market is to provide protection against the losses incurred by unpredictable price fluctuations. But experience with other commodities has shown that futures can, and do, play a large part in influencing price expectations. Indeed, on many occasions futures set price trends by reflecting economic and political developments, as well as the fundamental supply demand situation that governs prices in physical trading.

The very existence of a central, identifiable, place from which prices are issued in a constant stream to reflect day-by-day developments becomes a reference point for the outside world.

At present non-trading outsiders, including the press and politicians, have some difficulty in checking on the movements in crude oil prices, especially those in the independent "spot" market, if they do not subscribe to information services or know the relevant traders. From November 21 they will simply be able to refer to the futures market quotations which are arrived at in open-cry public trading for all to see.

Buyers and sellers of actual oil will also find that publicly quoted futures prices have a potent influence on their physical transactions. Buyers, possibly with little knowledge of the oil industry, tend to be guided by *published* prices.

Futures markets usually involve purely "paper" transactions, involving *only* a *commitment* to buy or sell a certain amount of a commodity at a future date. These commitments do not normally result in actual deliveries since they are cancelled before the delivery falls due.

Nevertheless, any futures contract has to include the facility to make and take delivery of the physical product, thus keeping prices to realistic levels. As a result, physical and futures prices tend to become aligned.

In the case of the London crude oil futures contracts, the International Petroleum Exchange, which is sponsoring the market, is planning to become directly involved in physical oil pricing.

The contract is to have North Sea Brent Blend as a marker crude. However, several other comparable light, low-sulphur crudes from the North Sea, Nigeria, Algeria and Tunisia, will also be deliverable against the contract at premiums or discounts to be set by the International Petroleum Exchange a month before the delivery date becomes due.

The exchange says that these differentials will be assessed purely on transactions in the physical market. They will not, therefore, be distorted by the political considerations that influence other organisations, such as Opec, when fixing differentials. The IPE claims it will give an entirely independent judgment, free from the "cloak of politics." But inevitably the differentials set by the Exchange will influence the physical market.

An unusual feature of the new market is the so-called alternative delivery procedure.

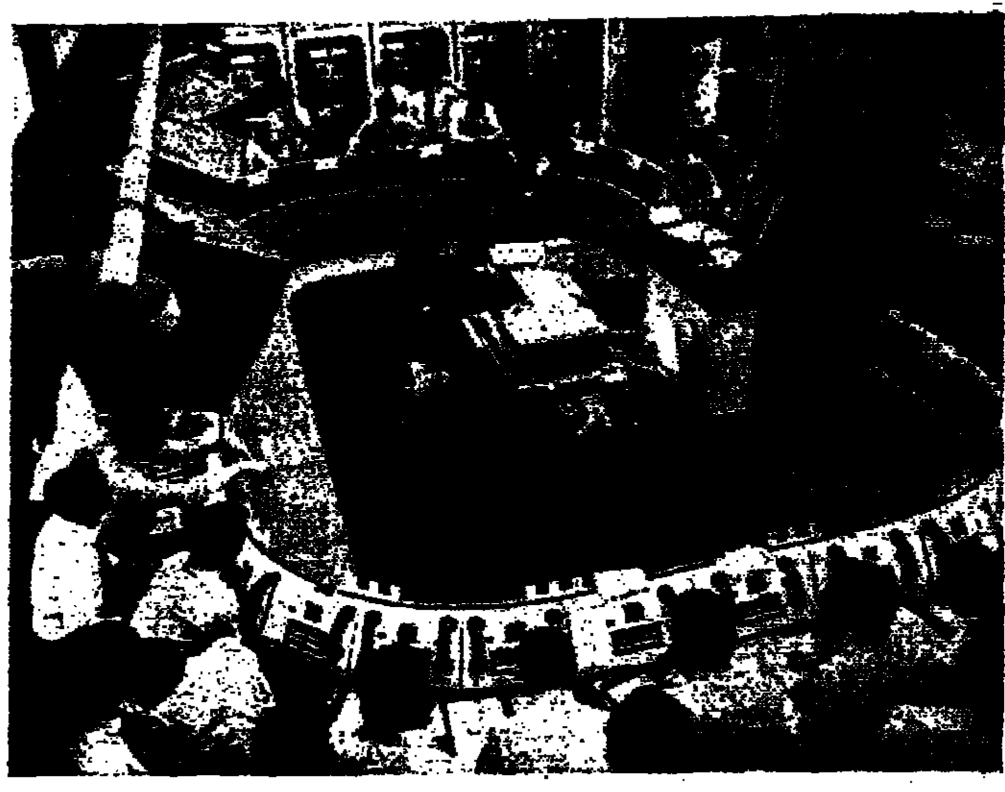
The normal basis for delivery under the contract is into storage tanks, pipelines or ships at the ports of Rotterdam and Amsterdam. For less than 50 lots (of 1,000 barrels each) delivery must be made into tanks at Rotterdam or Amsterdam.

The alternative delivery system allows any crude, or port of delivery, to be used to settle an outstanding futures contract providing that the buyer and seller agree the terms a month prior to the Rotterdam/Amsterdam delivery becoming due. The premiums and discounts agreed in this manner may also set guidelines *for* transactions in the physical market, especially since the alternative delivery procedure is expected to appeal particularly to the big user.

Brent Blend has been chosen as the marker crude not only because it is the largest volume crude traded in Europe but also because of its similarities with West Texas Intermediate and Light Louisiana Sweet. It is hoped this will encourage arbitrage trading between the London market and the existing crude oil futures contracts in New York and Chicago.

The size of the London market's lots at 1,000 barrels, is equivalent to the New York Mercantile lots of 42,000 U.S. gallons.

The crude oil contract on the New York Mercantile Exchange has been going great guns since it was launched in March. Daily turnover has grown strongly to an average of over 2,000 lots and an "open" interest (in other words, unfulfilled delivery commitments) of over 12,000 lots.



The gas oil trading "ring" at the International Petroleum Exchange's new London premises

In contrast, the Chicago Board of Trade's contract, introduced at the same time, has fallen back after a bright start with turnover running at a low level and open interest at below 1,400 lots.

The Chicago Board of Trade is a far bigger exchange, with a great deal more resources than the New York Mercantile. But it appears to have misjudged badly. Initially turnover in Chicago was above that in New York, but the support was coming primarily from "local" professional speculators. Once the first delivery date fell due it became apparent that the contract terms did not suit the oil industry.

The New York Mercantile Exchange was able to draw on its experience in building up the heating oil and gasoline futures contracts. It has close connections with the oil industry and tried to ensure that the contracts suited the oil trade.

An unusual feature of energy futures contracts is that trade use—as opposed to speculative deals—represents an abnormally high volume of business when compared to other U.S. commodity futures markets.

It is estimated that in New York the oil industry accounts for something like 70 per cent of total turnover. By contrast, in the Chicago grain markets speculators normally account for over 70 per cent of total trading.

It is the support of the industry which has probably given New York the edge over Chicago. But this may not necessarily last. Firstly, speculative interest in oil futures may well increase considerably once prices start to move up again—speculators much prefer to buy in expectation of higher prices than to sell in hopes of a declining market.

Secondly, a formidable new competitor is on the horizon: the Chicago Mercantile Exchange, which has announced its intention of introducing energy futures contracts once it moves into much enlarged premises next year. The Merc has grown swiftly in recent years and is threatening to oust the Board of Trade from the number one spot in the futures exchanges league table. It is renowned for its aggressive marketing expertise.

Chicago is the biggest futures trading centre in the world and will fight to become more heavily involved in energy contracts, which are considered to have tremendous potential.

Mr Michael Bowers, recently appointed chief executive of the International Petroleum Exchange, said last week that the structural changes in the oil industry during the past decade meant that it was now ripe for the introduction of futures contracts.

It is claimed that five of the seven major oil companies are now using the New York futures market intermittently: the exceptions are believed to be Exxon and Standard Oil of California (Socal) which are still reluctant to become involved.

The launch of the London crude oil contract will not be surrounded by the publicity hullabaloo used so successfully to promote the introduction of London's gas oil futures market in April 1981. The aggressive selling of the gas oil contract was a major influence in making it one of the most successful futures markets ever launched in London.

Perhaps the IPE feels that the oil industry has been sufficiently "educated" in the use of futures or that the crude oil contract does not require heavy selling.

Mr Robin Woodhead, chairman of the IPE, claimed last week that it would be satisfied if turnover reached 500 lots daily within the first six months of trading — a very modest target, bearing in mind that the gas oil contract now averages turnovers of between 2,000 to 3,000 lots a day.

Trading activity in gas oil futures has been somewhat disappointing recently, perhaps reflecting the uncertain state of the market. Since the launch of the futures market, gas oil has not enjoyed the kind of boom conditions that generate increased interest in futures trading, especially from speculators.

Although the IPE is adopting a low profile on the crude oil contract, there is considerable confidence that it will prove a winner. Even if it is not used by the majors, there are plenty of independent oil traders who will have an interest in futures. The exchange is confident that it will pick up a lot of the speculative "daisy chain" trading in Brent oil, whereby single cargoes change hands many times before reaching the eventual consumer.

Futures markets are still a mystery to many oil companies, or merely viewed as an irritant adding confusion to the traditional marketing pattern. But they are likely to become an even more powerful influence if the present unstable conditions in the industry show there is a real need for the crude oil contract.

At its new premises in Dunster House, Mark Lane, in the City of London, the IPE already has facilities for simultaneous trading in three separate "rings." One ring is used for gas oil trading and one will be used for crude oil, the third could be used for gasoline (petrol), for which IPE has a contract drawn up and waiting in the wings.

The longer term plan is to introduce contracts to cover all the products made from the oil barrel. But much will depend on the success or otherwise of the crude oil contract.

هكذا من الأصل

APPOINTMENTS

New chief executive for St. James's

Mr Simon Cullum has been appointed chief executive of ST JAMES'S CORPORATE COMMUNICATIONS from November 1. Mr Cullum is managing director of Response Advertising and prior to that was managing director of Charles Barker City. **Mr Peter Frost**, managing director, has been appointed executive deputy chairman. **Mr Bill Colbert** and **Mr John Ellwood**, associate directors, have been appointed directors and **Mr Roy Bennett**, **Ms Diane Johnson** and **Mr Derek Prebble** have been appointed associate directors. **Mr John Castle**, chief executive of Lopex, has been appointed non-executive chairman of St James's following the retirement from full-time executive duties of **Mr Harry Bengough**. Mr Bengough will remain a consultant. **Mr Michael Wyndham** has ceased to be a director of St James's to concentrate on the overall development of the Lopex City Group which comprises St James's, Lopex Public Relations and Birn, Shaw.

★

The Earl of Limerick has joined the board of DE LA RUE CO. He is vice chairman of Kleinwort Benson, and was until earlier this year chairman of the British Overseas Trade Board.

★

Sir James Goold, chief executive of Maclaggart and Mickel, has been appointed a director of MORGAN GRENFELL (SCOTLAND). Sir James has recently retired as chairman of the CBI in Scotland.

★

The VOLAC GROUP has appointed **Mr Keith Harwood** to the new post of group financial controller. He joins the company from Price Waterhouse.

★

Mr Peter Viney has resigned from EMESS LIGHTING to concentrate on his personal business interests. Mr Viney has been non-executive chairman of Emess for four years and he has been succeeded by **Mr Michael Meyer**, managing director, who will now combine this role with that of executive chairman.

★

Mr Jack Blanche, publisher for the past 17 years of Good Housekeeping, has been appointed to the newly formed post of executive in charge of corporate management for THE NATIONAL MAGAZINE COMPANY.

★

Mr Quentin MacDougall has been appointed managing director of JEAN SORELLE. He was managing director of Shulton (GB).

★

Mr Antonio Carlos da Silva Prado has been appointed representative of BANCO CREDITO NATIONAL SA (incorporated in Brazil) in London, with regional responsibility for Europe, the Middle East and North Africa. He succeeds **Mr Reindert Marsman**, who has completed his assignment with the bank.

★

UNIVERSAL-MATTHEY PRODUCTS has made two changes to its board of directors with the appointment of **Dr J. E. Hughes** and **Mr V. Dean Freese**. Mr Hughes, who was recently appointed as managing director of Johnson Matthey, the company's British shareholder, also assumes the chairmanship of UMP. Mr Freese was appointed by the American parent company, UOP Inc, where he has recently become president. The two retiring directors, **Mr J. Crawford** (UOP), the former chairman, and **Mr Ron Hewitt** (JM) had each served on the UMP board since 1976. The same changes apply to the board of administration of Universal-Matthey Products (Deutschland), the German sister company, where Dr Hughes will again act as chairman.

★

Dr John C. Byrne has been appointed technical director at PPF INTERNATIONAL. He will assume corporate responsibilities for capital investment and production efficiency at PPF's worldwide manufacturing operations. He was works director for Vinyl Products.

Mr John Bailey has been appointed chief executive of BERGER INDUSTRIAL COATINGS. He was deputy managing director and operations director of Berger Paints.

Mr John Bailey, chief executive of Berger Industrial Coatings

Mr Donald du Parc Braham has joined the board of the LOCATION OF INDUSTRY BUREAU.

★

Ms Nicola M. J. Y. Plummer has been admitted to the partnership of MOSS MILLS AND PARTNERS, underwriting agents at Lloyd's.

CONTRACTS

Kent Process Control wins £0.95m work

KENT PROCESS CONTROL, a Brown Boveri Kent company, has won three contracts totalling £950,000 to supply process control systems for natural gas drilling and production platforms in the Morecambe Bay Gas Field. The first order is for fully instrumented control panels to monitor and control gas flow and utilities on three unmanned drilling plat forms. The second order covers the asociated interface and barrier cubicles, whilst the third orwer is for instrumentation on the central production and accommodation platform. When the platforms enter service in 1984-85, the instrumentation will allow remote monitoring and control of production via a telemetry link to the central control room at the Barrow shore terminal. All the orders were placed with Kent Process Control by Brown and Root (UK) on behalf of Hydrocarbons (Great Britain).

★

Water flow through the southern tunnel main under the River Thames is to be monitored by equipment supplied by **ATS (TELEMETRY)** in a £120,000 contract with the Thames Water Authority's North London division. Equipment supplied will also allow control and monitoring of various pumping locations at Hampton now being modernised.

★

DEWPLAN (ET) has won orders worth over £200,000 for the supply of effluent plant. For Ross Foods Hull factory, Dewplan are supplying a screen and flotation system for the treatment of waste from meat-based convenience foods. In Dagenham, at Ford Motor Company's plant, existing sand filters are being refurbished for treating river water for process use. At Long John International's Ben Nevis malt whisky distillery, a two stage high-rate biofilter is being installed. Other contracts include a lime dosing plant for the Central Electricity Generating Board's Fiddlers Ferry power station, and a fat separation plant at a Milk Marketing Board dairy at Severnside.

★

British Gas Corp has awarded a £3m contract to **PA** for the development and implementation of computer-based systems for the Morecombe and Rough offshore gas fields. The award also covers the provision of professional advice on maintenance, materials control and logistics. The systems, to be known as LOMS (logistics and offshore management systems) will be developed by PA's oil and gas divsion and computer and telecommunications division.

★

CONTINENTAL MICROWAVE (HOLDINGS) has been awarded a contract by British Telecom to supply new generation portable microwave link equipment for the transmission of high quality colour television signals. The contract is worth around £900,000 with early options of £1.4m.

★

The Ministry of Defence has signed a contract worth in excess of £1m with **IAL** to supply voice communications control systems for the re-equipment of air traffic control centres at many of the UK's Royal Naval air stations. IAL Stratus systems will provide bi-directional communications for operational staff using radio and telephone networks to handle aircraft movements both in the air and on the ground. The contract calls for systems to be installed at 17 UK RNAS locations including the principal sites at Yeovilton, Portland, Culdrose and Lee-on-Solent.

★

CARSON OFFICE FURNITURE has been awarded a further contract, worth £200,000, from Trafford Metropolitan Borough Council. The contract is to supply screens and desking from Carson's range of Link 900 systems furnitrue for the Town Hall at Stretford, which is being extended to accommodate 300 additional employees presently occupying leased accommodation.

★

Orders worth £200,000 for optical communications equipment have been awarded by British Telecom to **STANDARD TELEPHONES AND CABLES (STC)**. The equipment, to be supplied next month by STC Telecommunications' Basildon-based transmission products division, include: 8 Mbit/s and 140 Mbits/s optical lyine units and 34-140 Mbit/s multiplexers.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4, Telex: 8954871
Telephone: 01-248 8000
Wednesday October 26 1983

An ill-judged adventure

THE INVASION of Grenada by U.S. troops, supported by six of the small east Caribbean states, is an action which will require a great deal more explaining than has so far been forthcoming from President Reagan. The U.S. action, against the advice of Britain and against a sovereign Commonwealth state, has created an understandable furore in the House of Commons. Force has been employed, with little apparent effort to use other means to resolve the situation created by the bloody overthrow last week of Mr Maurice Bishop, the Grenadan Prime Minister.

Until Mr Bishop was killed, the Grenadan Government with its home-made brand of Marxism was an uncomfortable neighbour for the Caribbean states. The new regime headed by General Hudson Austin, the army commander, having eliminated Mr Bishop and some of his colleagues, seemed to be moving Grenada towards a more militant form of Marxism, seeking closer ties with Cuba and the Soviet Union. The regime looked ugly.

U.S. hegemony

Caribbean leaders were understandably alarmed by what was happening; for it is comparatively easy in such small communities for a group of armed men to take control. In particular, the smaller Caribbean members such as Antigua, Barbados and St Lucia felt threatened. What happened in Grenada could happen to them. From the start, they have been the ones pressing for a military solution.

While their fears are understandable and they were entitled to turn to the U.S. for support, it is highly questionable whether the U.S. should have listened to them so promptly and gone along with what they wanted. The temptation to exert American hegemony in its own backyard, so soon after the tragedy of Lebanon and at a time when the Administration feels Cuba and Nicaragua need to be taught a lesson, seems to have been irresistible.

America has been careful to ensure that it has acted with the backing of those of Grenada's neighbours affected most directly by the anti-Bishop coup. However, the invasion—no matter how successful—involves serious risks.

In the first place, America's international image is liable to be tarnished. The use of force to control the Caribbean has been sanctioned, reviving memories of the American intervention in the Dominican Republic in 1965. It is doubtful whether the overthrow of Mr Bishop seriously jeopardised American strategic interests in the area. As for Cuba, the authorities there seem genuinely embarrassed by Mr Bishop's execution. Even if General Austin wanted to push Grenada more towards Cuba there is no evidence yet that Cuba would have accepted such an overture.

Serious split

The U.S. case for military intervention is weakened by two other factors. Britain disapproved of the use of force, and Britain is, after all, head of the Commonwealth of which Grenada is a member. The intervention has also produced a serious split within the Caribbean, with larger states such as Jamaica firmly against such action, arguing instead for a mix of economic sanctions and diplomatic ostracism. This approach was never even tried. Indeed, the smaller east Caribbean states, aware of Britain's attitude, in effect went behind the UK's back.

As a result, the U.S. has seriously embarrassed its staunchest European ally and created a rift within the Caribbean. On the ground, it has to give credibility to its invasion by quickly gaining control and restoring the democracy it went in to defend. This may not be as easy as it seems.

Different standards

Mr Bishop's enemies made sure that the prinicpal figures in his government were eliminated. New leaders have to be found. The co-operation of the population with the invaders' plans cannot be taken for granted. The U.S. and its Caribbean allies were not invited in by any group on the island. Beyond all this, the U.S. appears to be exercising the doubtful principle that different standards apply to intervening in small islands or countries, and intervening in larger ones.

This new American adventure, undertaken against the advice of the British Government, is bound to strain Anglo-American relations. It comes at the worst possible time, when Mr George Shultz, the U.S. Secretary of State, will shortly be attempting to persuade his European allies of the plausibility of American leadership in the Lebanese crisis.

Health Service efficiency

THE GRIFFITHS report on management in the National Health Service, published yesterday, offers an exact diagnosis but a debatable course of treatment for Britain's health system.

In pointing to the lack of accountable and identifiable management at both the national and local level, Mr Roy Griffiths has identified a crucial weakness which has bedevilled the NHS since its formation and which has been left untouched in two major reorganisations in the last decade.

Ill-designed

His solution is, in conceptual terms, very simple. At the centre you create an executive to manage the main functions of personnel, finance, property, procurement and planning. At the periphery—in the regions, districts and individual hospitals—you simply decide who is to be boss.

This would end, at a stroke, the so-called "consensus management" method of running health authorities and hospitals, whereby every significant decision is made by a committee on which doctors, nurses and administrators put their points of view. It is a slow mechanism and one ill-designed for taking difficult decisions which threaten vested interests.

As Mr Griffiths says, if general managers are there to make clear, accountable decisions, all sorts of good things could happen. Careers could be planned, management pay could be related to performance, the consumer view could be monitored and responded to, property could be managed commercially and, above all, waste could be reduced.

This simple mssage, however, can expect a rough reception in some important quarters. The British Medical Association is committed to a view that the only people qualified to manage hospitals are doctors. This is rather like ICI resolving that its business can only be managed by chemists. Nurses, their hackles raised by recent manpower cuts, are inclined to see all government manoeuvres as a cloak for more cuts.

So it will require a good deal of political resolution and skill to make the Griffiths plan stick. Equally, if morale is to be raised from its current low point, it is important that the Government now backs its judgment that Griffiths is the way forward on efficiency and abandons the tactic of crude across-the-board cuts and "efficiency savings" which have been cuts by another name.

If that happens, and if the Government can avoid pointless confrontation over its strategy on privatisation and pay, the Griffiths report offers the best chance for a long time to make real progress in improving the Health Service. Doctors, although they have reason to press the issue of clinical freedom, will have plenty of chance to influence the detailed implementation of the plan without needing to insist upon the superiority of their own management skills in every instance.

Mr Griffiths's idea of twin, overlapping boards at the centre of the NHS seems less sure-footed.

Refinement

The proposed NHS management board, comprising full-time, high-level executives, looks as if it could be a rather unaccountable body sandwiched between the supervisory board, Cabinet and Parliament on the one hand and the regions and districts, which retain executive autonomy, on the other.

If the idea is for the management board to take over the functions now provided by health department civil servants, that needs to be stated.

This matter, however, can be thrashed out in the sensibly brief period of consultation now planned. It is strongly to be hoped that the Griffiths plan, with some refinement, comes into force as expected next April.

BRAZIL AND THE IMF

A battle of wills and wits

By Anatole Kaletsky in Rio de Janeiro

IS THE stability of the world economy more important than the reputation of the International Monetary Fund?

This, at its starkest, is the dilemma which M Jacques de Larosiere, the IMF's managing director, now faces in deciding how to react to last week's rejection by the Brazilian congress of the wage limitation law which M de Larosiere had personally singled out as the keystone of Brazil's IMF prescribed economic stabilisation programme.

When stated in such simple terms M de Larosiere's choice appears to be no choice at all. If he decides — as he is said in Brazil to have threatened to do—not to accept the country's third request this year for IMF assistance until the Brazilian congress approves a new wage limitation measure, M de Larosiere may in effect be giving a thumbs down not just for Brazil, but conceivably for some of the world's leading banks in their year-long struggle against the $500bn of debts owed by insolvent, or near insolvent, developing countries.

Without a go-ahead from the IMF next month, the $6.5bn loan being put together by private bankers to enable Brazil to meet its obligations until the end of 1984 will certainly fall apart. The Brazilian Government will reach the end of this year with over $3bn of interest arrears and the banks will have to conclude in their 1983 accounts that at least some of their money in Brazil is irretrievably lost.

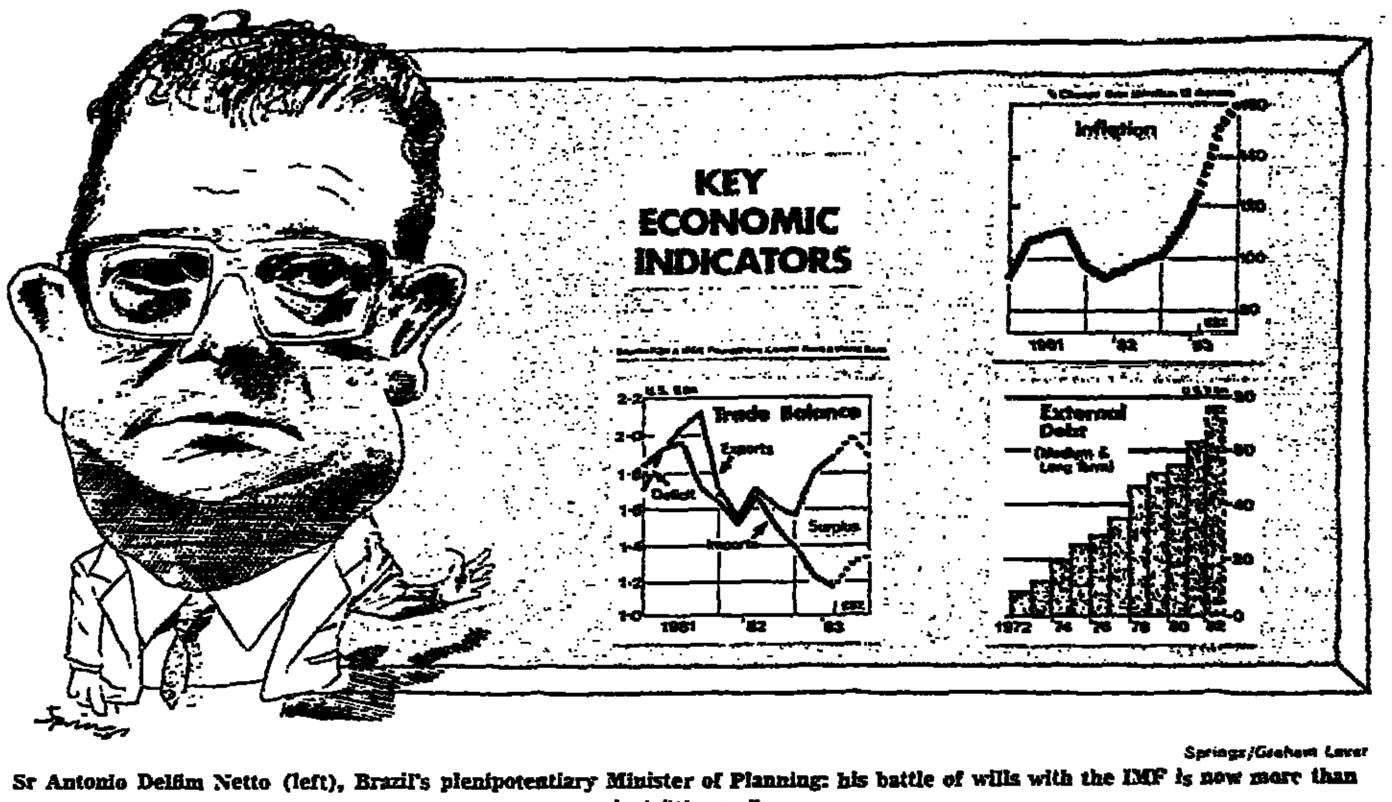
If this occurs there is no way of predicting how bank depositors and bank shareholders will react, nor whether banks will continue to hold

M de Larosiere concerned about the credibility of the IMF

ranks in their negotiations with heavily indebted nations.

Yet, despite the potentially cataclysmic consequences of such a decision, there is a curiously widespread belief in Brazil that the IMF loan will not in fact be approved. And this is not just explained by the Brazilian's natural sense of theatre, which leaves even the staidest of businessmen and government technocrats to characterise the current crisis as a personal battle of wills and wits between M de Larosiere and Sr Antonio Delfim Netto, the country's plenipotentiary Minister of Planning.

For although, after a year of broken promises and unrealistic forecasts from Brazil, the IMF managing director is said to have developed some animosity to the country's economic team —as have many of the world's



Springs/Graham Laver

Sr Antonio Delfim Netto (left), Brazil's plenipotentiary Minister of Planning: his battle of wills with the IMF is now more than just "theatre"

bankers and most of Brazil's own business community—the reason for fearing a genuine impasse go well beyond the trial of strength between two "authoritarian figures" as one to pofficial who has worked with both M de Larosiere and Sr Delfim describes them.

If M de Larosiere has indeed now decided to dig his heels in and insist on Congressional passage of the wage law before any IMF money is released, it is primarily because he wants to maintain the IMF's credibility as the final arbiter of international financial responsibility. Without that standing, the IMF believes that it would no longer have the ability to marshal substantial private banking funds for countries which earn its "seal of approval" by implementing IMF-sponsored adjustment programmes.

Thus the wage law, which few observers of Brazil's fledgling experiments in democracy ever expected to be passed by Congress, but which still continues to be effective in modified form, is as important to the IMF for its symbolism as for its economic effect.

At the political level, passage of the wage law by Congress would indicate, as one top Brazilian banker puts it, "the long-term support of the Brazilian people for the IMF agreement." On the other hand, he argues, that if the IMF package is pushed through only by the Government it might not survive next year's presidential election.

However, if M de Larosiere thinks that Congressional support is indispensable to sustain the confidence of international bankers, he is probably wrong. Most bankers, by their own admission, are looking at only this year's and next year's prospects and are concerned almost exclusively about Brazil's ability to improve its trade performance. The lead-

> The trouble is that standard IMF doctrine is being stood on its head in Brazil

ing banks are convinced that they can arrange the required $6.5bn syndication by the end of the year, taking Brazil's long-term future on trust, provided only that the IMF gives its go-ahead.

But the stalemate over the wage law has a more serious economic dimension both for Brazil and for the IMF. For it is a sympton, rather than a cause of fundamental economic flaws which will almost certainly bring the whole adjustment programme to the verge of collapse yet again in the next six to nine months.

Practically every economist in the Brazilian Government, in the private sector, and for that matter in the international banks, seen to agree that some at least of the financial targets in Brazil's letter of intent to the IMF have no chance of being achieved. It is not just that inflation this year is likely to exceed 180 per cent, rather than the 152 per cent agreed with the fund. What is worse is that price increases are still accelerating ever more rapidly to levels which are described as "hyper-inflation" even in Brazil, with no sign of any abatement in the trends.

From the IMF's technical point of view the vast over-run in inflation means that Brazil's targets for credit creation and public sector borrowing, which are the basic touchstones of all IMF programmes, will almost certainly be breached by the end of this year.

The public borrowing targets, in particular, will certainly force Brazil to seek a waiver from the IMF once the figures for December become available next year, according to senior officials. They note with some chagrin that the IMF insisted against the Government's persistent pleas that the inflation adjustment of Brazil's indexed debt had to be included in the definition of public borrowing, now making these targets unattainable because of the over-run of inflation.

Indeed, according to one highly speculative line of argument among Brazilian economists, it is the knowledge that the economic package will lead inevitably to another embarrassing re-negotiation between Brazil and the IMF next spring, which is now making M de Larosiere seek a reason for delaying the whole adjustment programme.

The one man in Brazil who still claims to believe in the IMF target, Sr Ernane Galveas, the Finance Minister, tacitly underlines the reasons for the IMF's concern about its own reputation in reply to a question about the unreality of his Government's latest official projection: "These are not only our forecasts, all these numbers and projections have been checked and agreed by the top economists in the IMF and in the international banks."

Thus, if the IMF board approves the loan to Brazil next month it will probably not only be taking the Government's wage policies on trust, but also, in effect, admitting that the IMF staff was wrong when it set the programme's financial target — for there could really be no question of approving the package in November and then suspending it again in February when the financial trends which are already discernible today become explicit in the official statistics.

At present international bankers do not seem unduly perturbed by this prospect for one simple reason. Brazil may be foundering in its internal financial management but it is performing exactly on target in its external trade — notching up a trade surplus of over $6bn this year, with a good prospect of delivering the $9bn agreed with the IMF for 1984.

Since the trade balance is ultimately what matters in determining a country's ability to service its debts, there is a view among some bankers that one can separate Brazil's external and its internal economic crises.

Indeed it is arguable that the IMF should have concentrated on the external adjustment, which is if anything going better than planned, leaving the question of inflation out of its target altogether. Clearly events are not bearing out the IMF's traditional counter-argument to this view, which states that internal adjustment is a pre-condition for satisfactory external performance.

The trouble, however, is that this standard IMF doctrine is actually being stood on its head in Brazil — the extremely rapid external adjustment is making internal adjustment impossible.

This, according to Brazilian economists ranging from monetarists to liberal Keynesians, is the fundamental flaw in the IMF prescription for their country. Most of the acceleration of inflation this year has been directly attributable to the measures taken in support of the external adjustment programme — above all, the 30 per cent devaluation of the cruzeiro in February, which Sr Galveas admits was "clearly inflationary, but had to take priority in order to stimulate exports."

The abolition of subsidies for oil and wheat sales this summer

Economists see a fundamental flaw in the IMF prescription

and the loss of competition from imports in domestic markets resulting from the Government's strict import controls, can also be put down to the need to produce an unprecedented turnaround in the balance of payments. While the abolition of subsidies may reduce Government deficits and inflation in the long run, the IMF's programme seems to ignore their immediate inflationary effect.

Even the feverish expectations of further price increases and devaluation, which are now perhaps the biggest factor fuelling the spiral towards hyperinflation in Brazil, stem partly from the universal conviction in Brazil that the IMF-inspired adjustment is simply impossible.

An article on the long-term prospects for the Brazilian economy will be published early next month.

Men & Matters

Health service

Roy Griffiths' success in avoiding any major rows with the various health lobbies over his prescription for the management of the National Health Service seems to have been partly due to what has become known as his "Socratic style."

For the past eight months, the 57-year-old chairman and managing director of J. Sainsbury group has been going round the country talking to NHS staff — and invariably opening the conversation by asking: "Would it not be better thus . . . ?"

"It's been very enjoyable meeting a new professional group," Griffiths tells me. "There have been a lot of relaxed discussions. I have always believed that each organisation or company is unique, and you have to pay attention to its uniqueness."

But he is certainly no stranger to th emedical profession. Two of his children and his daughter-in-law are doctors.

Griffiths' inquiries were made in his spare time, while continuing to hold down his job at Sainsbury's. The 24-page report, written as a letter to the NHS, was drafted on his annual holiday.

Wading htrough past reports, he says he found many had recommended sensible action. "But who was there to act on it?"—hence his own recommendations for the appointment of chief executives or general managers.

Griffiths' background has been one of general management. He comes from North Staffordshire and, after reading law at Oxford, qualified as a solicitor. After a stint at Monsanto and further study at Columbia Business School, he joined Sainsbury in 1968—and he wants to stay there.

Amid the rumours already rife about who will be the NHS's first chief executive (at around £60,000 a year), one Roy Griffiths.
thing is certain. It will not be

Clarke's dollar

A well-worn Fleet Street prank is to send out a newly-joined photographer with instructions to call at the Bank of England and obtain a picture of a Eurodollar.

We old hands know that the Eurodollar is a currency which prefers to blush unseen, although the market in it is now worth nearly $2bn (expressed in U.S. dollars).

The Eurodollar market is, indeed, a mighty pool of international credit centred upon London. William Clarke in the new edition of his book Inside the City (G. Allen and Unwin, £6.95) says the Eurodollar has "helped the City to survive the buffetings of so many sterling crises."

But who actually invented the term Eurodollar? Certainly it was still unknown as late as 1956. Then the Russian bank in Paris, Banque Commerciale pour l'Europe du Nord, began lending-on its surplus dollars. That might possibly have been the source of the term. There is circumstantial evidence. The bank's telex answer-back code was "Euro-bank."

But others hold the view, says Clarke that the London banks were the first to seek out surplus dollars for such on-lending.

Clarke himself may well have been the first to formalise the existence of this shadowy market (conducted over telephones and teleprinters) by describing it in print.

On October 24 1960, when he was City Editor of The Times, and after he had discussed the existence of the trading with members of his staff, the phrase "the Eurodollar market" appeared in print in his columns.

That was the first recorded reference to the market according to the 1972 Supplement to the Oxford English Dictionary.

If any readers know of earlier public references to the Eurodollar market I would be interested to know. But there's no need to send me any Eurodollars.

Private lives

Winter has now definitely started: debates on the Bill to allow the privatisation of British Telecom have begun again.

This is in danger of turning into a seasonal rite. The Commons committee debated the first version of the Bill from late autumn last year until this spring, totting up more than 180 hours, before the Bill eventually fell with the calling of the General Election. This included an 11½-hour marathon from the indefatigable John Golding, the Labour MP for Newcastle-under-Lyme.

The debates promise to be no shorter this time. The committee spent all morning yesterday discussing the sittings motion; that is, deciding when it should meet to consider the Bill. And while the Labour side is depleted since the election and the Tory side is full of new MPs, Golding is back.

To show that he means business—if necessary, throughout several all-night sittings—he ostentatiously brought out of his suitcase a can of shaving foam and a razor.

Bond's word

For a man devoted to high-speed living—as demonstrated by his yachting and his business growth—Australia's English-born hero Alan Bond is certainly taking his time about returning to his adopted city, Perth Western Australia.

A full month after his Australia 11 lifted the America's Cup he is still dashing about the northern hemisphere concluding a big deal for his Bond Corporation. It is and will involve his group in flexing its management expertise in either or both of those sectors. And it is in the U.S., Canada, or Britain.
almost certainly in oil or gas.

But beyond that sparse information Bond is showing quite uncharacteristic reticence by saying nothing. He expects everything to b sewn up within a few weeks.

Over lunch in London yesterday he became positively Delphic when quizzed about possible plans to invest in Britain, saying only: "I will be in the UK before five years."

Bond's arrival in Perth at the end of this week will be the signal for a renewal of the America's Cup all-Australian victory celebrations which have suffered a lull lately because of national exhaustion. Australia is expected to once again be "listing happily" if I may borrow the immortal phrase of our correspondent there, Michael Thompson-Noel.

"But Alan," I asked, "why was your keel so effective? Was it the way it sloped or was it those secret winglets?"

He looked me in the eye. "There's something that everyone has missed. It was heavier than conventional keels right down at the bottom where the weight did most good."

Can the great keel secret have been as simple as that? Or is he indulging the Autralian national sport of teasing the Poms . . .?

Off beam

New York investment broker's advice (1898), quoted by Ronald Duncan in Critics' Gaffes (Macdonald £5.95): "Signor Marconi's ingenious ideas do not seem to have made much headway . . . The public will be well advised to keep clear of this concern."

Observer

BRITISH CONSUMER SPENDING

The boom that refuses to die

By David Churchill, Consumer Affairs Correspondent

FATHER CHRISTMAS may have arrived a little early this year—although given the unpredictability of the British consumer, few retail chiefs are prepared to bet on it. Their confusion is caused by the sudden sales surge in September, revealed in last week's official figures, after a long hot summer when it seemed that the past year's consumer boom was petering out.

"I can't understand where all the money is coming from," says Mr David Johnson, chief executive of the Rumbelows electrical goods chain, whose view is echoed privately by many other retailers.

Certainly, there are plenty of paradoxes at present: building society receipts are at record levels, while official figures show that the ratio of savings to earnings is at an historically low figure. Unemployment continues to rise, yet spending in some of the most depressed parts of the country remains remarkably buoyant for such non-essential items as colour televisions and video cassette recorders.

The current crop of bumper first-half figures from leading retailers—and there are more to come in the next few weeks—shows the pace at which profits can accelerate once consumers start spending and why many stores groups are so happy at the moment.

So has the Christmas spending surge actually started as some retailers—such as Selfridges in London's Oxford Street—suggest? No, say Boots which is one of Britain's largest Christmas gift retailers. "We still expect it to start at the usual time of about five to six weeks before Christmas," says Mr Terry Curry, joint managing director of the Currys chain. British Home Stores agrees—Mr Roy Burgess, the group's managing director suspects that the start of the real spending spree may actually be getting later rather than earlier.

The biggest "rogue factor" so far this year has been the weather with the change from monsoon, to heatwave, to frost, to Indian summer. Clothing and footwear sales have soared in these changeable conditions, while furnishings and some durables seem to have been held back by the hot weather, especially during August. (Yet another paradox: shop sales were down during the heatwave, but consumers flocked instead to car showrooms and bought a record number of new cars.)

"When the back to school sales—which are very big for us—failed to materialise at the end of August, our buyers were ready to jump out of the window," says Mr Burgess of BHS. "But within two weeks, after the weather changed, we had achieved our sales target for back to school clothes and they were laughing."

He believes that consumers are more likely now to wait until they actually need a purchase before they buy—hence the reluctance to buy winter clothes for children returning to school in the middle of a heatwave.

But it is by no means just the weather which has kept the consumer boom alive:

● Earnings are still ahead of inflation and the level of pay settlements in the current round of pay deals should keep them that way throughout the winter.

● Consumers appear less inclined to save and, instead, have a "marked propensity to spend at the moment," according to Mr Nick Bubb a stores analyst at stockbrokers Scrimgeour Kemp-Gee.

● Much of the boom is being financed on credit. Both credit card purchases and hire purchase commitments are up sharply. Mr Brian Bailey, director of the UAPT Infolink credit reference agency, says "there were 3.6 per cent more requests for consumer credit facilities in September than the same month last year—which itself was a bumper month following the end of hire purchase controls."

● The black economy may be a bigger feature than has been recognised so far in boosting sales, especially in depressed areas of the country.

The impact of this last factor is still puzzling many retailers. "It must be a significant factor now," suggests Rumbelow's Johnson, but Mr Curry says he has no hard evidence to support speculation that it is growing.

Mr Burgess notes that several £169 BHS cordless telephones have been sold to customers who pay entirely in cash. "One woman apparently told the sales assistant that she had no intention of buying a phone at all when she came into the store — and then she paid in notes," he said. He suspects that the underground economy is indeed more important than generally realised.

"People are more willing to put down large cash deposits—much more than the 10 per cent we ask for—and are then prepared to pay the rest back within six months,' says Mr Johnson of Rumbelows.

He adds that the greater use of credit and hire purchase facilities has "surprisingly" not led to any apparent concern in the trade about an increase in the number of bad debts.

However, many City retail analysts are becoming less sanguine about how long a credit-led consumer boom can continue. "People can't go on paying more and more by credit," says Mr John Richards of Capel-Cure Myers, a view echoed by some retailers as well as analysts.

Yet the willingness of consumers to go on spending in spite of direct experience of redundancy — either through knowing a friend or relative who has lost their job or even facing the threat themselves—suggests that some fundamental shifts in consumer behaviour may now be underway.

Researchers at the Allen Brady and Marsh advertising agency have this week published their study of the effects of the recession on spending patterns. They argue that "qualitative and quantitative research on people's attitudes during this recession confirms that a new, hedonistic streak is appearing in attitude and behaviour."

On the whole, the researchers conclude, consumers believe that their standard of living has improved over the last few years and that it will continue to do so—in marked contrast to the pessimism of the mid-70s. "This optimistic attitude may explain the continued expansion of discretionary spending and also the decline in savings," they add.

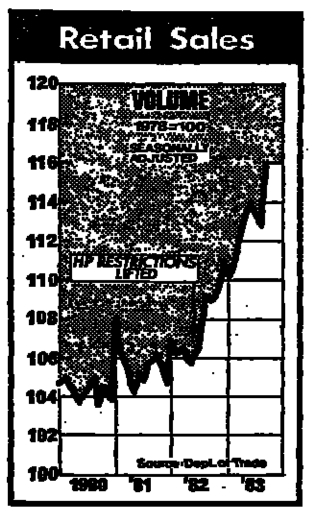
Mr Bubb of Scrimgeours also floats the idea that the retail market may actually be expanding. "Consumers are being presented with new ideas—such as video cassette recorders—and with new opportunities to spend, such as in the new style fashion multiples, he points out. "In addition, all these retailing ideas are being better packaged because of an ever increasing awareness of design by retailers."

Another possible motive force for extra spending—identified by Mr Richards of Capel-Cure Myers—is that the home is becoming the focal point for entertainment and therefore spending. The "siege" mentality of the 80s suggests that more people are eating, viewing and entertaining at home because of cost and convenience.

In the 52 shopping days left before Christmas, however, most retailers are fairly confident that there is little to deflect consumers from making this an extremely buoyant Christmas in terms of the level of spending. ("Probably only a heatwave in December would stop them spending now," quips one retailer.)

But next year the picture is less rosy. Few retailers are really optimistic about any fresh stimulus—such as significant tax cuts—in order to boost confidence and spending. Yet the consumer has shown more than once this year just how fickle he or she can be in deciding what and when to buy. Most retail buyers, now busy planning for 1984, would give a lot to know how fickle.

Retail Sales



The Profits Picture

Company	Pre-tax interim profits (loss) 1983 £m	1982 £m	% change
Home Charm	2.5	1.1	+127.3
Woolworth	(6.3)	(18.7)	—
John Menzies	2.45	1.25	+ 96.0
Combined English Stores	0.02	(2.64)	—
Superdrug	2.88	2.26	+ 27.7
Grattan	(0.86)	1.0	—
Harris Queensway	9.16	4.35	+110.6
House of Fraser	4.3	(1.4)	—
Currys	6.4	3.9	+ 64.1
Freemans	4.57	3.15	+ 45.1
Sears	59.3	33.4	+ 77.5
Austin Reed	1.12	0.83	+ 35.1
Debenhams	5.17	1.54	+235.7
British Home Stores	14.35	10.85	+ 32.3

Source: Capel-Cure Myers

U.K. Atomic Energy Authority

Too high a price for too little return

By Roger Williams

THE UK Atomic Energy Authority will be 30 next year and now is therefore a good time to ask a delicate question. To what extent does it epitomise a contemporary British dilemma—high quality science and technology, but of uncertain economic relevance?

When the UKAEA was established it enjoyed a monopoly over nuclear development, civil and military, but its responsibilities have since changed substantially.

The major changes occurred a decade ago, when nuclear weapon development was switched to the Ministry of Defence and the fuel and radioisotope activities of the Authority were placed with separate companies, British Nuclear Fuels Ltd (BNFL) and Amersham International respectively.

There have also been over the years transfers of Authority staff to other public and private bodies. Having peaked at 40,800 in 1961, the staff total fell to 29,400 a decade later and to 12,700 in 1973-74, but has climbed back to 14,400.

The Authority's remit was widened in 1965 to allow it to do non-nuclear R and D under contract. Today the Authority still has R and D establishments at Harwell, Windscale, Winfrith, Culham, Springfields, Dounreay and Risley.

In 1982-83 the Authority's vote expenditure, the funds provided by government rather than covered by customers, came to £214.8m—or about two-fifths of publicly funded energy R and D.

To arrive at the whole of publicly funded nuclear R and D in Britain, one must add the "almost half" of the Central Electricity Generating Board's research expenditure, £76.8m in 1982-83, which the Board say is nuclear. There is also something to be included for BNFL, at least the £12.4m written off for R and D in 1982-83.

Publicly funded nuclear energy R and D thus comes to more than half the public energy R and D total.

But since nuclear power is properly seen as an alternative method of electricity generation, arguably one should focus on R and D in the electricity sector by itself. Doing that, it emerges that almost two-thirds of publicly funded R and D concerned with electricity is nuclear. These figures must be set alongside the fact that only some 15 per cent of electricity is currently of nuclear origin, and only some 25 per cent is expected to be by 1990.

Precisely because the Authority is high powered and of long standing, it is likely to have no difficulty putting forward scientifically sound R and D projects.

But a serious concern must be that the scale and quality of its activities, and the conditions of employment it can offer, will tend to draw more of the best brains into the nuclear field than could be justified either by the present state of industrial R and D in Britain (the DTI's expenditure on R and D in 1982-83 came to only £230m) or by the contribution of the Authority's activities to exports.

> Time to examine again the institutional arrangements for nuclear R & D.

The £120.6m which the UK AEA earned in 1982-83 from customers could perhaps be justified as commercial, and the £21.6m which it spent on fusion might be defended as necessary to ensure a UK capability in a technology which might become important later next century. This leaves £96.3m spent on fast reactor development, £67.5m on other reactors, materials and safety, and £26.4m on "underlying research."

Given that nuclear power would not have become commercially attractive without the substantial public R and D assistance it has received, now that the electricity authorities are enthusiastic about the technology, why continue funding fission R and D by parliamentary vote?

Why instead should not the various bodies which work to commercial discipline, BNFL, the electricity boards and the National Nuclear Corporation, and possibly the Nuclear Installations Inspectorate as the regulatory authority, now assume responsibility for all, or at least most, of fission R and D?

The UKAEA's role can also be considered in terms of Lord Rothschild's "customer-contractor" principle, the principle that for R and D with a practical application there should be a distinction between customer and contractor.

Now, the UKAEA is a constitutional anomaly—a kind of half way house between a government department and a nationalised industry—and it appears that because the Authority is regarded by the Treasury as partly a government department, the customer-contractor principle has not really been applied to it. That is, the Energy Department, the only possible "customer" as regards the UKAEA's vote expenditure, does not act like one and indeed is not in a position to do so.

In the early years, the UK AEA's autonomy was inevitable but it is not clear that this autonomy remains appropriate in 1983.

Nor can putting on the UK AEA Board part-time members from bodies such as the CEGB, NNC or BNFL guarantee the appropriateness and scale of the Authority's activities, since it is very much in the interest of these bodies to have as much R and D done by the Authority as possible, since this costs them nothing, yet strengthens the overall base for nuclear power.

The Authority has been examined many times by Commons Select Committees, but to little effect.

In 1982 the Authority and the Energy Department commissioned consultants "to review the efficiency and economy with which the Authority uses the resources available," but these consultants were told "not to study the overall level of the Authority's vote funded R and D expenditure nor its distribution."

The objectives which the Energy Secretary indicated in June 1983 he had set the Authority also do not address directly these questions. It seems fair to ask whether after 30 years it would not now be desirable to have an independent top level committee examine again the institutional arrangements for nuclear R and D, much as did the Waverley Committee in 1953, in a review which led directly to the creation of the Authority.

Roger Williams holds the joint Chair in the Departments of Government and Science and Technology Policy at the University of Manchester.

Letters to the Editor

Investment in the retailing industry

From the Managing Director of Attitude Research

Sir, — The managing director of Tesco complains (October 24) that the Government continually denies the retail industry any financial support to further its (that is, the Government's) goals. In support of this view he claims that there is mounting evidence that the retail industry is investing in areas of high or stable disposable income. It is hard to see how this claim either furthers his case or justifies any support for the industry.

It is, perhaps, not surprising that he fails to make any specific suggestions as to what the Government should do. It would be interesting to learn precisely what Mr Maclaurin wants. Does he perhaps hope for subsidies to enable his company profitably to open yet more superstores in areas where the return on investment would otherwise be unsatisfactory?

He seems to me to detect a prejudice against retailing where in reality there is rather no prejudice in its favour, nor any reason for one. Indeed, in view of the substantial contribution to unemployment made by the increasing efficiency of the retail sector, I believe that there is at present a strong case to be made for discouraging the development of the sector, especially in the less-advantaged areas. On balance, an inefficient retail industry may well at the present time be better for this country as a whole.

Robert B. Fairweather,
Managing Director.
7 Broad Oaks Road, Solihull, West Midlands.

Logica offer for sale by tender

From Mr John Heller

Sir,—I read with interest Dominic Lawson's "Comment" on the Logica offer for sale by tender (October 24) and, in particular, his novel suggestion that the company should have offered the shares with no minimum price, and thus avoid the expense of underwriting.

Leaving aside the question of underwriting, it is difficult to see how Mr Lawson's suggestion can be reconciled with the requirement imposed by the Fourth Schedule to the Companies Act 1948 to state in a prospectus the minimum amount which, in the opinion of the directors, must be raised by the issue to provide for the purchase price of property, preliminary expenses and commissions, repayment of borrowings and working capital.

As Section 47 of that Act prohibits any allotment of shares unless such minimum amount is subscribed, the simple arithmetic of dividing such minimum by the number of shares being offered by the company will produce an effective minimum subscription price which, in any event, must be not less than the par value of the shares.

John Heller.
76 Jermyn Street, SW7.

Biting the hand that feeds you

From Mr Phillip Oppenheim, MP

Sir, — I was slightly surprised to find, tacked onto the end of a perceptive article on the effects of new technology on employment, a somewhat specious and ill-informed attack on British farmers by Samuel Brittan ("Farm Support Scandal" October 13).

To suggest, for example, that prices paid by the consumer are equivalent to prices paid to the farmer is patently misguided. In addition, it is quite incorrect to state that UK prices are one and a half to three times world market levels. It is interesting to note that UK food prices have risen at a lower rate than prices generally over the past decade.

In fact, over this time, farmers' incomes have risen much less than those in the manufacturing industries. Far from growing fat on EEC subsidies, farmers have only been able to save business by pushing up production, despite rising costs. Over the past 10 years, for example, the price of tractors has quadrupled and that of fertilisers has risen almost as much while the price of grain has barely doubled. The result of the ever-increasing pressure to produce more is that the volume of agricultural production has more than doubled since the war, despite gradual loss in farmland.

Britain is more self-sufficient now than she has ever been over the past 100 years. She produces over 60 per cent of what she consumes, compared with 30 per cent 40 years ago, and imports only 20 per cent from outside the EEC. This represents a saving in excess of £2bn on the balance of payments in 1982.

Another error made in Mr Brittan's article is that farmers have benefited from the rise of land values. To state that land values have doubled in real terms over the past decade is simply wrong. Most estimates put forward show values, at best, keeping pace with inflation.

Mr Brittan also talks of the destruction of the countryside, mentioning the pulling down of hedgerows — something we hear much of these days. Doubtless Mr Brittan will remember from his schoolboy history lessons that when hedgerows were first put in 400 years ago, complaints — even riots — occurred. A little historical perspective here might be useful. A quick trip into the country would soon show Mr Brittan that the much deprecated "prairification" of the English countryside is hardly, in fact, happening.

It is unfortunate that someone of Mr Brittan's perception is climbing heedlessly on the current anti-farming bandwagon. Most people realise that there is much wrong with the EEC and that CAP in particular is in dire need of reform. To use this as an excuse to attack the farmer — arguably the most productive member of our society — is biting the hand that feeds you.

Phillip Oppenheim.
House of Commons

Brazilian debt crisis

From Mr R. F. Legge

Sir,—At first sight your report (Oct. 13, page 1) on the Brazilian "debt crisis" implies that the situation is improving. In reality, vast new loans are to be made to Brazil to avert financial collapse and so that entirely fictitious interest payments can be made on the (about) $90bn debt already outstanding.

Third World countries have been allowed to build up debts totalling hundreds of billions of dollars. Prospects for real interest payments are grim and are generally non-existent for capital repayment, whatever new loans may be made. The consequences, such as higher interest rates, or worse if major defaults occur, will be borne by the general population—not just the bankers—in the creditor countries.

It is therefore reasonable to ask the major banks to explain (a) why, with their massive staffs of economic and other experts, did they make such ill-judged loans to what were at best, high-risk borrowers? (b) why they believe that the current throwing of good money after bad to the debtor countries will not suffer a similar fate?

R. F. Legge.
87, Penshurst Gardens, Edgware, Middlesex.

Creating a true Common Market

From Mr Christopher M. Jackson, MEP

Sir,—Did your headline "EEC trade ministers back initiative to cut world trade barriers" (October 18) have a touch of irony? For behind the worthy decision to do something relating to the outside world lies the failure by the same ministers to accomplish a task that lies solely within their own powers, namely, creating a true EEC *common market*.

The trade ministers were ordered by the heads of government meeting in Copenhagen last December to make substantial progress in reducing trade barriers within the EEC, as this could make a vital contribution to improving the economic health of Europe, strengthening our industrial base and reducing unemployment.

Strenuous efforts towards this end were largely wrecked on the rocklike intransigence of one Member State or other. This sort of "non-Europe," as it was dubbed in the recent Albert/Ball report on the prospects for European economic recovery, is extremely costly to our citizens in terms of lost wealth.

Commissioner Etienne Davignon remarked recently that Europe will only have a future to the extent that she is prepared to accept "some discipline." The key to the problem of discipline lies in the Council of Ministers' practice of unanimous voting. I find it hard to imagine any country, business, or even parish council that would make adequate progress if its 10 decision makers regularly insisted on unanimous agreement before acting. Yet this is the way Europe muddles along.

What can be done? While still leaving the final decision on what is a "vital national interest" to the state concerned, we need to discourage civil servants or ministers from pleading this too easily. One interesting proposal involves the head of government personally. If, following an initial council declaration of "vital interest," a unanimous decision could not be reached within, say, 12 months, the claim for unanimity could only be maintained by the head of government personally at the European Council.

If this variant on the Luxembourg Protocol (which in any case records a disagreement) could winkle out some of the "fake" vital interests which hold up Europe's progress it would be worth a try.

Christopher Jackson.
MEP for Kent East,
Medlars,
Sevenoaks, Kent.

FINANCIAL TIMES
Wednesday October 26 1983

Missiles expected in Europe by end of November

By Bridget Bloom in Washington

U.S. CRUISE and Pershing 2 missiles are now expected to arrive in Europe towards the end of November, immediately after the West German Bundestag has held its crucial debate on the issue.

According to senior U.S. officials, 32 cruise and nine Pershing 2 missiles are now ready to be airlifted from the U.S. to Britain, Italy and West Germany, the countries which have agreed to install the missiles before the end of the year if there is no agreement in the arms control talks in Geneva.

Although officials in Washington and in European Nato capitals have given up hope of an agreement this year, the actual timing of the missiles' arrival is giving problems.

These centre on the West German Government's undertaking to the opposition SPD that it will allow a full parliamentary debate before the Pershings arrive for the first scheduled deployment of the new missiles in south-west Germany.

The Bundestag debate was originally *scheduled for early Novem*ber, but the date has been shifted in response to SPD demands.

It could now begin on November 21, and possibly continue for more than one day.

Officials in Washington responsible for arranging the arrival of the missiles express some frustration at the West German failure to name, albeit privately, a precise date for deployment.

The UK, Italy and West Germany have agreed that the missiles should be operational by December 15. Officials in Washington say that the three-week period between November 21 and December 15 is the bare minimum needed to ensure that the missiles, with their launchers, support and command and control vehicles and the cruise attain what is called the initial operating capability – IOC.

U.S. officials are keen to meet West German requirements that the arrival of the missiles takes place as near simultaneously as possible in all three countries. It was a condition of the original West German acceptance of the new *Pershing 2s that another non*-nuclear continental European country should accept new U.S. missiles at the same time.

While the British base at Greenham Common is now ready to receive the first flight of 16 cruise missiles, construction of the Italian base near Comiso in Italy has been delayed. The missiles will probably be sent to Italy and temporarily housed until the base is ready in the spring of next year.

Exxon income up 20% on big overseas gains

BY WILLIAM HALL IN NEW YORK

EXXON, the world's biggest oil company, yesterday reported a 20.5 per cent increase in its third quarter net income to $1.225bn continuing its strong earnings recovery which started in the final quarter of last year.

A 72 per cent rise in the earnings of the overseas exploration and production operations contributed the bulk of the improvement in the latest quarter. By contrast U.S. petroleum and natural gas operations re*ported a small drop in earnings.*

Mr C. C. Garvin, Exxon's chair*man*, said that in the latest quarter "there were encouraging signs of recovery for the petroleum industry in some areas. Consistent with the economic recovery underway in the U.S., market conditions here for petroleum and chemical products improved throughout the first three quarters of this year. Petroleum *markets elsewhere, while showing* some improvement from the year earlier period, generally remained depressed despite reductions in crude oil supply costs earlier this year."

Group revenues showed a further year-on-year decline in the latest quarter, dropping 7.4 per cent to $23.34bn, and for the first nine months revenues are some 9.4 per cent lower at *$69.9bn.*

Inventory profits resulting from the use of last-in first-out (Lifo) accounting treatment contributed $127m to the latest quarter's earnings, compared *with gains of $370m* in the comparable period of 1982.

Earnings per share in the latest period totalled $1.41 compared with $1.17 per share a year ago. For the first nine months of 1983, Exxon's net income rose 24.2 per cent to $3.36bn, and earnings per share rose to $3.88 compared with $3.11 per share.

For the first nine months of 1983, Exxon's earnings from foreign exploration and production rose 50 per cent to $1.44bn. By contrast earnings from U.S. exploration and production were virtually unchanged at $1.45bn.

The strong showing by Exxon's foreign operations reflected higher production of oil and natural gas, particularly in Europe, together with reduced exploration costs in most foreign areas. In the U.S. significant earnings gains from a 7 per cent increase in crude oil production and reduced exploration costs, were offset principally by a 16 per cent drop in demand for natural gas and by the first quarter 1983 provisions for regulatory matters.

Exxon's U.S. refining and marketing operations increased their earnings by 18 per cent to $301m in *the first* nine months, and the group's foreign refining and marketing operations raised earnings by 19 per cent to $382m. Exxon says that while there was a considerable *improvement in Europe from the* severely depressed market conditions of 1982, margins there and in Canada remained under pressure from a combination of government price controls and competitive market forces.

● Standard Oil of California (Socal), the fourth largest U.S. oil company which is selling a substantial part of its marketing and refining operations in Europe to Texaco, yesterday reported a 10.9 per cent increase in third quarter net income, **Paul Taylor writes.**

Socal reported third quarter earnings of $509m or $1.49 a share compared to net earnings of $459m or $1.34 a share in the 1982 quarter.

The improvement, which Socal attributed mainly to improved refining and marketing margins, came despite an 11.5 per cent fall to $7.65bn compared to $8.67bn in the same period last year.

The latest quarter helped boost Socal's net earnings for the first nine months to $1.19bn or $3.47 a share compared to $952m or $2.78 a share on revenues which fell by 22.5 per cent to $21.74bn from $28.06bn.

The company said that no significant write-offs were taken in the latest quarter.

Wall Street report, Page 25

Consob chairman and board member resign

By James Buxton in Rome

THE CONSOB, the troubled watchdog authority for the Italian stock exchange, was thrown into deeper turmoil yesterday by the surprise resignations of both its recently appointed chairman and another *board member.*

Sig Vincenzo Milazzo, chairman since only last January, resigned separately from Sig Gianni Pasini, a Consob board member for three years. The two men were on opposite sides in the conflict which has wracked the Consob in recent months. Now it is left with a board of only three out of the original five.

Last week, parliament decided to *carry out* a major inquiry into the activities of the stock exchange authority, which has been regarded as generally ineffective and often inept since it was set up in 1974. Sig Milazzo recently told a parliamentary committee that the Consob had "never been born" in the first place because of the gaps in the legislation setting it up, which, he said, made it unworkable.

*Since parliament did not immedi*ately accept the need for new legislation, Sig Milazzo, a former senior civil servant, was placed in the indivious position of having to continue running something that he had said in effect did not exist. But his decision to resign, which he stated was "irrevocable," may also reflect the desire of political leaders to instal a new chairman more disposed to grapple with the practical problems of the Consob.

Sig Pasini appears to have resigned for opposite reasons to Sig Milazzo. He argued that the Consob did not lack legal powers, but that under Sig Milazzo it had abdicated their use, and was not even acting against possible legal transgressions committed with its knowledge.

The Government now finds itself once again with a void at the head of the regulatory authority, which is supposed to control the workings of the stock exchange and the disclosure of information by quoted companies.

The Consob only became active for the first time when Professor Guido Rossi was made chairman in 1981. But he resigned in August 1982, after the Banco Ambrosiano crash, believing that he had been misled by the Bank of Italy and the Treasury

THE LEX COLUMN

The roof falls in on Burnett

*The City of London's most promi*nent regulators were all away from their desks yesterday, singing the praises of self-regulation and stressing the paramount importance of investor protection at a conference in the Royal Lancaster hotel. On the floor of the Stock Exchange, meanwhile, the share price of Burnett & Hallamshire (B & H) was delivering a very different verdict on the British way of doing things.

B & H equity, which not so long ago was picking up outperformer of the year awards, has lost 37 per cent of its value in just under a week. The cause of all the unhappiness is a dramatic reappraisal by City analysts of the company's prospects, after a series of talks with its management.

In his last annual statement, published in June, the former chairman felt confident enough to predict that "further substantial growth will be achieved in the current year and beyond." The City duly forecast that profits would grow this year by roughly 20 per cent to £36m pre-tax. By Monday evening, many analysts were cutting that profits figure by half.

Leaving aside the ludicrous optimism of the annual report, shareholders have every right to ask why such a material change in the fortunes of their company – arising mostly in the property division – was not made public through a Stock Exchange announcement, as quite clearly required in the listing agreement.

The company did finally issue a statement on Monday night but it was so vague as to confuse the picture even further. In cases like this, a full announcement, coupled with a brief share suspension, serves everyone's best interests. After all the confusion, the B & H share price – at 190p – may well be discounting too much disaster. The prospective multiple, assuming a 30 per cent tax *charge, is now only about 6 times.*

*For this, the company and its finan*cial advisers are mostly to blame. But the Stock Exchange has missed an opportunity to demonstrate the muscle and ability of self-regulation on the day.

Property sector

The property sector, out of favour since early 1981, has begun to outperform in recent weeks. With many other sectors looking played out, it is not surprising that property companies have been picking up some support on a "leaders and laggards" basis. The structural oversupply of space shows no sign of easing, especially in commercial property, but the financial stength of the institutions and property companies means that voids have been carried without forcing a large-scale drop in rents. Yields have been rising steadily, but a major knock to asset values now looks unlikely.

Meanwhile, there have been a few encouraging noises about demand for retail outlets – and even, in select areas, for offices. A dividend yield for the sector as high as 81 per cent of that on the All-Share under*pins prices;* the more so in the light of inflation-beating dividend rises such as those of Peachey and Samuel Properties, announced yesterday.

But the pressures in the direct property market are reflected in a sharp divergence in stock market performance. Over the last year, the sector has risen by an average 13 per cent, with investors favouring stocks with high-quality portfolios and active management. MEPC, Hammerson and Slough, for example, are all up 20 per cent or more. Companies with lower-quality portfolios have suffered. Land Investors, with tenants vacating its fringe-City property on reversion, has fallen 22 per cent. Imry and Warnford are down 9 per cent, and *Stock Conversion 4 per cent.*

*The stock-market picture is enliv*ened by institutional takeover moves – yesterday's suspension of North British seems to indicate the latest example – while companies have also started to buy in their own shares to boost asset backing. Speculative interest up to now has centred on middle ranking stocks, but the renewed willingness of investors to commit funds is likely to spread to a broader front. Over the next 12 months, there are likely to be some exhilarating rises for the sector – along with some more uncomfortable moments.

Gallaher

Gallaher's diversification strategy is going to have to turn up something rather special just to escape the shadow of the group's booming tobacco profits, to judge by the year so far. American Brands' September quarter figures show its Gallaher subsidiary turning a 12 per cent increase in turnover into a 50 per *cent jump in pre-tax profits, mostly* attributable to a surge in the tobacco division's profits from £17.5m to £25.1m.

Benson and Hedges and Silk Cut are cropping perhaps a third of the entire UK cigarette market for Gallaher and have provided an object lesson for more than one of its competitors on the rewards of brand discipline. That said, it is re*markable* that *Gallaher has man*aged to combine Benson and Hedges' premium image with some very effective discount marketing – and even this, plus reduced costs and a relatively buoyant market, still leaves the latest profits jump a little hard to fathom.

An export drive for Silk Cut looks at least as exciting as any straight diversification in the UK. But while the total UK market's decline may be held to only 1-2 per cent this year, Gallaher like its rivals can see the threat posed by the growing social unacceptability of their product.

Paris plans FFr 650m cash aid for troubled shipbuilders

BY PAUL BETTS IN PARIS

THE FRENCH Government is planning to inject FFr 650m ($81.7m) of additional subsidies into the troubled shipbuilding industry as part of a new aid package.

The new measures were discussed yesterday by M Guy Lengagne, the Marine Affairs Secretary, the heads of France's two major shipbuilding groups and the labour unions.

The talks come at a time of deepening crisis for the French ship*builders, whose orders last year* were about 50 per cent lower than the previous year's. Shipments also declined by 18 per cent.

As a first step towards restructuring a sector employing about 24,000 people directly and another 25,000 indirectly, the Government last year decided to concentrate France's main shipbuilding activities into two groups.

The first group, controlled by the private Empain-Schneider conglomerate, is Chantiers du Nord et de la Mediterranée and groups together the shipyards of La Seyne near Toulon, La Ciotat at the mouth of the Rhône and Dunkirk.

The second grouping consists of the shipyards of Saint-Nazaire and Nantes, which are now under the wing of Alsthom Atlantique, the subsidiary of the nationalised Com*pagnie Générale d'Electricité con*glomerate.

The two groups now aim to reduce capacity in the face of the continuing slump by closing one or more of the five shipyards. However, the unions, which held a protest rally on Monday in the northern city of Lille, are opposed to any closures.

The Government, already faced with a mounting list of major industrial companies seeking to make significant redundancies, is not expected to agree to any yard closures. Instead, it is likely to propose as part of the new package measures to trim the workforce at the different shipyards as well as launching an early retirement plan for the industry's workers.

To compensate for the dramatic fall in new orders, the Government is also considering giving the five civil shipyards Defence Ministry orders for naval vessels.

The Government is also considering measures in the latest salvage package to help boost new export orders while continuing to encourage diversification into ship repair, offshore equipment and conversions.

Bonn bid to save Krupp merger

BY JAMES BUCHAN IN BONN

THE BONN Cabinet will today make another effort to rescue the planned merger of the Thyssen and Krupp steel interests in the face of massive financial demands from the companies.

The meeting coincides with parallel demands for aid from the trou*bled industry in* the Saarland. It also comes against a background of growing West German irritation with the European Commission and other European governments over the handling of the steel crisis.

Senior West German officials have recently warned the Commission that the problems of the German industry could dominate the Athens summit meeting in December.

In particular, Bonn has made a firm and specific connection between a reform of the subsidy practice in neighbouring steel industries *and its readiness to consider higher* payments to the strained European Community budget.

European diplomats in Bonn yesterday were inclined to doubt that Bonn would seriously allow steel to overburden the agenda for Athens which West German officials worked out so painfully at the last summit in Stuttgart, in June.

The new toughness in West German *statements*, however, reflects the intense pressure on the Government from the German industry, which has lost 40 per cent of its home market to imports and faces serious price-cutting.

Thyssen is also demanding a commitment of DM 1.5bn ($575m) from the Government as a condition for taking over Krupp Stahl, *while the Arbed Saarstahl concern* needs DM 86m from federal and regional governments merely to survive into next month.

Bonn officials hinted yesterday that there were signs of flexibility over the merger, suggesting that Thyssen might be ready to come down from its demand for DM 1.5bn, which it says it needs to neutralise Krupp's debts. However, the *industry was considerably less con*fident.

Both Chancellor Helmut Kohl and Herr Hans-Dietrich Genscher, the Foreign Minister and vice-chancellor, have involved themselves with the merger

U.S. leads invasion of Grenada

Continued from Page 1

Seaga, and hoped to influence other leaders of the Caribbean Community and Common Market (Caricom) to take an unanimous position at a heads of Government meeting in Trinidad over the weekend.

However, at a heated meeting, Guyana's President, Mr Forbes *Burnham, strongly condemned* the plan. The governments of Trinidad and Tobago, the Bahamas and Belize also decided they would take no part in any military intervention.

The supporters of the plan could not invade without outside assistance, however, as they would have been seriously outgunned

Mr Bishop, who was left wing and identified his country with Cuba, had been under house arrest for about week before last Wednesday. Upon being released he attempted to storm a main army barracks with a mass of supporters.

Mr Bernard Coard, Mr Bishop's deputy, has not been seen in public since Mr Bishop's detention.

U.S. Steel out of the red in quarter

Continued from Page 1

flected improvements in both steel and oil and gas operations. Sales remained flat but the company said operating income in the latest period was $301m higher than in the 1982 quarter, when several special gains also added to earnings.

Nevertheless, the group, which paid $6.4bn for Marathon early last *year, said its steel operations post*ed a third-quarter operating loss of $124m on sales of $1.3bn, compared with an operating loss of $274m on sales of $1.2bn in the same period last year.

Terry Byland writes: The hottest summer in New York for more than 100 years boosted sales of electricity by **Consolidated Edison**, power supplier for most of the city.

The company traditionally sees *peak demand in the summer, when* air conditioners are in constant use.

Sales for the third quarter rose from $1.4bn to $1.6bn, bringing a jump of 42 per cent in net earnings to $253m or $1.88 a share.

Consolidated Edison's share price, like that of other electrical utility companies, has been rising strongly on Wall Street in anticipation of higher earnings and lower interest charges.

*At the nine-month stage, Consoli*dated Edison shows a gain of 15 per cent in earnings to $410.1m.

Japanese officials in drug leaks

By Yoko Shibata in Tokyo

JAPAN'S Ministry of Health and Welfare has punished several senior officals it holds indirectly re*sponsible for the recent spate of* thefts of confidential data on new drugs.

The most senior official involved is Mr Masaomi Yamashita, a deputy minister, who has been formally reprimanded – an action unprecedented in the ministry's history.

Mr Akira Shishido, director of the ministry's National Health Institute, and Mr Takeshi Shinomura, chairman of the Central Drug Affairs Council, a powerful advisory body to the ministry, have resigned.

The three officials and six of their subordinates are held to have failed in their supervisory duties. Most of them are being punished by having their salaries cut by up to 10 per cent for six months.

The disciplinary action follows the arrest of 13 company executives and ministry officials in Japan's biggest drug-related industrial espionage case.

The presidents of the three companies involved in the scandal – Fujisawa, Teisan and Toyama Chemical – have been asked to give assurances to the ministry of plans to reform their concerns.

The Federation of Pharmaceutical Manufacturers has also been *asked to ensure that its members* compete fairly.

The ministry is also planning to tighten up controls on its confidential records and to rule that doctors should not serve on the Central Drug Council for more than eight years – a step apparently aimed at limiting the possibility of a special relationship developing between council members and individual *drug companies.*

The ministry's actions are quite separate from the legal action being taken against these already arrested. Two ministry officials have been charged with stealing documents and bribery, and executives from the three companies face charges ranging from theft to destroying evidence.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	18	64	Dubrovnik	S	18	64	Malaga	C	21	70	Salzburg	C	5	41
Algarve	S	24	75	Faro	C	21	70	Malta	S	22	72	Seoul	C	12	54
Algiers	-	-	-	Florence	S	17	63	Manila	S	31	88	Singapore	R	30	86
Amsterdam	C	8	46	Frankfurt	S	8	46	Miami	C	30	86	Stockholm	C	5	41
Athens	C	17	63	Funchal	F	22	72	Milan	S	12	54	Strasbourg	C	4	39
Bahrain	S	29	84	Geneva	C	7	45	Moscow	F	5	41	Sydney	S	25	77
Bangkok	S	34	93	Gibraltar	H	20	68	Munich	S	5	41	Taipei	C	25	77
Barcelona	S	19	66	Guernsey	S	12	54	Nairobi	F	28	82	Tangier	-	-	-
Beirut	C	28	82	Helsinki	F	9	48	Naples	S	18	64	Tehran	-	-	-
Belgrade	C	9	48	H Kong	C	24	75	New Delhi	S	28	82	Tel Aviv	C	26	79
Berlin	C	8	46	Innsbruck	S	10	50	New York	C	15	59	Tenerife	F	25	77
Biarritz	S	16	61	Inverness	C	13	55	Nice	S	18	64	Tokyo	F	19	66
Blackpool	C	12	54	Istanbul	F	16	61	Oporto	S	22	72	Toronto	C	10	50
Bordeaux	S	12	54	Jersey	S	12	54	Oslo	R	5	41	Tunis	-	-	-
Brussels	S	7	45	Jo'burg	S	24	75	Paris	F	7	45	Valencia	S	19	66
Budapest	-	-	-	Las Palmas	S	23	73	Prague	F	8	46	Venice	F	13	55
B. Aires	F	18	64	Lima	S	22	72	Reykjavik	F	3	37	Vienna	S	8	46
Cairo	S	26	79	Lisbon	C	19	66	Rio de J'o	C	25	77	Warsaw	F	11	52
Cape Town	S	24	75	Locarno	S	13	55	Rome	S	17	63	Zurich	C	5	41
Caracas	C	29	84	London	F	12	54								
Casablanca	-	-	-	Los Angeles	S	29	84								
Copenhagen	C	7	45	Luxembourg	S	8	46								
Corfu	C	16	61	Madrid	S	17	63								
Dublin	F	11	52	Majorca	S	21	70								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Reagan defends action

Continued from Page 1

ban advisers on the island, plus about 600 Cuban construction workers.

The Cubans would be allowed to leave on a Cuban ship already in St George's Harbour, while the Soviet citizens would be treated with "diplomatic courtesy." They were also free to leave, U.S. officials said.

Military officials in Washington said that a number of objectives on the island had not yet been achieved, but that the military action should be completed by this morning.

Congressional leaders, both Republican and Democratic, were yesterday giving Mr Reagan the benefit of the doubt in his assessment of the need for military intervention – while awaiting further information. There was reluctance to rock the boat at a time when the nation was still grieving the death of more than 200 marines in Lebanon on Sunday.

There appeared to be no direct link between events in Beirut and the invasion of Grenada – the naval task force carrying the U.S. marines was despatched to the Grenada area before the Beirut bombings.

The action in the Caribbean was, nevertheless, seen in Washington as part of Mr Reagan's wider policy of confronting Soviet influence worldwide – and possibly also as reflecting his desire to assert a decisive foreign policy

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Wednesday October 26 1983

Merrill Lynch suffers sharp fall

By Terry Dodsworth in New York

MERRILL Lynch, the largest U.S. securities group, suffered a sharp drop in earnings in the third quarter as it felt the effects of increased spending to cope with its recent expansion.

Revenue remained steady at $1.3bn, but net earnings plunged from $100.3m a year ago to $33.1m, or 37 cents a share. Transaction volume was up only moderately from the September 1982 period, when the bull market was in an extremely vigorous phase, and fell below the level of this year's first half.

In the meantime, however, Merrill Lynch had geared up its staff levels and this, combined with some increase in pay, pushed up personnel expenditure by 26 per cent compared with last year to $537m.

Other expenses went up by 29 per cent to $371m, reflecting higher office and equipment rental, and costs for advertising and market development. The group also took a $12m pre-tax charge connected with the default of C and R Pastor, a securities dealer now in bankruptcy.

Compared with a year ago, revenues other than interest rose by 6 per cent, largely reflecting gains on commission and real estate income, with equity market activity remaining higher than a year ago, but fixed income held down by flat interest rates.

Over the nine months, revenue rose from $3.4bn to $4.3bn, while earnings were up to $272m or $3.20 a share against $166m.

John Davies in Frankfurt charts the decline of a West German industrial group

Power play behind MAN's recovery plan

MAN, the West German truck and engineering group, enjoyed a reputation for years as a gem within the GHH manufacturing realm. Today the gem has lost some of its glitter, because of problems in markets for heavy trucks, marine engines and general engineering.

The fading fortunes of MAN, *Maschinenfabrik Augsburg-Nürnberg*, have touched off a power struggle among key figures anxious to influence its strategy.

MAN is by far the weightiest segment of GHH, Gutehoffnungshütte, a wide-ranging group which traces its origins back to Germany's 18th century ironworks. Crucial discussions on personnel and policy are expected at top-level meetings of both GHH and MAN next month.

Four of the top protagonists in the power play are:

● Dr Manfred Lennings: Aged 49, he has been chief executive of GHH for eight years and is regarded as one of West Germany's top industrialists. He has offered to resign after opposition from leading shareholders to his plan for MAN, which is more than 75 per cent owned by GHH.

In addition to managing GHH, Dr Lennings is chairman of the MAN supervisory board. Under West Germany's two-tier system of company control, the supervisory board exercises a remote but sometimes decisive role in overseeing the activities of the management board.

Dr Lennings called for plans to enable him to move in actively as MAN's chief executive for up to a year to push through a recovery plan.

● Herr Paul Lichtenberg: Aged 71, he has held sway for many years at Commerzbank, West Germany's third largest commercial bank, where he is chairman of the supervisory board. He is widely regarded as a man with considerable influence in business circles.

Opposition to Dr Lennings' plan is understood to emanate from within Regina Verwaltungsgesellschaft, a holding company owned by Allianz Insurance, the closely related Munich Re-Insurance and Commerzbank.

Regina and descendants of the GHH founding families own more than 50 per cent of GHH shares. Herr Lichtenberg is a member of the GHH supervisory board, which will hold an extraordinary meeting on November 8.

● Dr Klaus Götte: A member of the MAN supervisory board since the beginning of this year, he has taken an active part in investigating prospects for a recovery strategy. Aged 51, he formerly had managerial jobs in the Flick industrial empire and in the Allianz insurance group.

Under the Lennings plan, he stood to take over from Dr Lennings as chairman of the MAN supervisory board. Now he is considered a strong contender to succeed Dr Lennings at GHH.

● Herr Otto Voisard: After studying engineering in Vienna, he joined MAN nearly 30 years ago and has been chief executive for the past four years. He is prominent in Bavarian business circles.

In keeping with GHH tradition, Dr. Lennings had tended to allow a loose rein to executives at MAN, in

Rivals for the key role at MAN – Dr Lennings (left) and Herr Lichtenberg

view of the size and range of both groups' activities. Dr Lennings, moreover, is identified with the old industrial heartland of north-west Germany (although he studied business administration in Munich), while MAN's power centres are in staunchly independent Bavaria.

As its problems grew, MAN cut its dividend after earning lower profit in the 12 months to June 30, 1982, and then suffered a DM 300m ($115.3m) operating loss on group sales of DM 8.8bn in 1982–83.

MAN's setback is one of the reasons why GHH, with group sales of DM 15.7bn, cut its dividend last financial year.

MAN executives indicated that half the loss came from the commercial vehicles division, whose sales revenue dropped DM 1bn to DM 2.8bn. With domestic and export markets shrinking, MAN's truck sales fell a third to only 16,000 and bus sales fell 17 per cent to 2,400.

However, MAN claims to have turned the corner already in its truck operations, because of a revival of the West German market and rationalisation measures, including job losses.

As a result, Herr Wilfried Lochte, the trucks chief, has predicted that the commercial vehicles division may lift revenue 20 per cent to DM 3.3bn and sharply reduce its losses this financial year.

On the other hand, he sees no immediate revival in exports, which used to make up 60 per cent of MAN's truck sales and now comprise only a third.

MAN, which employs just under 60,000 workers in its entire group, including 50 per cent owned subsidiaries, has been steadily cutting its truck assembly workforce – from 21,500 in 1980 to a planned 16,000 by mid-1984.

The company recently announced structural changes aimed at stronger concentration of heavy truck assembly in Munich. Its Salzgitter plant will concentrate on assembly of buses, special vehicles, medium-weight trucks and the smaller MAN-Volkswagen joint venture trucks.

In its diesel engine division, MAN has suffered from the world slump in shipbuilding and a decline in orders from oil-producing countries. Competition from Japan has also hit profitability.

MAN has reacted by closing its Hamburg diesel works and putting workers on short time at its plant at Augsburg in Bavaria. Job losses have long been rumoured at Augsburg and confirmed recently.

In its general engineering operations, MAN has been hit by declining orders from developing countries, which have cut ambitious plans for industrial installations because of payments problems.

One of the relatively bright spots, however, has been the MAN-Roland print machinery operation. The parent company reported steady sales revenue last financial year, although including the U.S. operation revenue was down slightly at DM 857m.

Abroad, MAN has suffered some severe setbacks, with the failure of its Argentine diesel engine project and problems in sales and servicing branches for trucks in Australia and France. It is also embroiled in a dispute with Arab partners in a Middle East transport-leasing business.

Managers and shareholders, therefore, have been investigating prospects for a new long-term strategy, possibly involving foreign partners.

MAN has assured its Augsburg workforce that the plant will continue to make marine engines, but it has confirmed that it is studying the possibility of closer co-operation with its Danish subsidiary, B & W Diesel, acquired in 1980.

One criticism directed at MAN is that it has failed to adjust fast enough to structural changes in market conditions. While it has tried to postpone harsh adjustments, it has conveyed an impression of indecisiveness.

Doubts have also arisen about the tightness of managerial control and about the economics of its truck operations.

The MAN supervisory board is due to consider the 1982-83 loss on November 11, three days after the GHH supervisory board's meeting. The manoeuvring of top managers and shareholders is expected to be reflected in decisions of these crucial meetings.

Warner Lambert profits up 16%

By Paul Taylor in New York

WARNER-LAMBERT, the U.S. pharmaceuticals and medical equipment company, yesterday reported a 16 per cent increase in third-quarter earnings, helped by higher over-the-counter and prescription drugs sales in the U.S. The rise offset a decline in worldwide sales caused primarily by unfavourable foreign exchange rates.

The company said net income in the latest quarter increased to $50.4m or 63 cents a share from $42.5m or 53 cents a share in the 1982 third quarter. The board voted to increase the quarterly dividend from 35 cents a share to 37 cents a share.

Sales during the quarter fell to $773m from $840m, but the company said that, excluding the effects of the divestiture of Entenmann's, the bakery subsidiary, in October last year and foreign currency rate changes worldwide, sales increased by 7 per cent.

The company also said that net income, excluding the effect of currency translation, which cut 9 cents a share off earnings in the latest quarter and 19 cents a share off the 1982 quarter, and the Entenmann's divestiture, increased by 8 per cent.

For the nine months the company reported net earnings of $152m or $1.90 a share on sales of $2.32bn, compared to net income of $133.3m or $1.67 a share on sales of $2.49bn in the same period last year.

Further loss for Wheeling Pittsburgh

By Our New York Staff

WHEELING – PITTSBURGH, the eighth largest U.S. steel company, reduced its net loss in the third quarter of this year to $9.89m against $26m in 1982, although the latest figures include a $11m non-recurring gain from the sale of tax benefits.

Steel shipments for the quarter rose by 7.7 per cent from 365,000 tons to 393,000 tons, but sales nevertheless slipped from $194m to $186.7m.

Mr Dennis Carney, chairman, said that the lower turnover on the increase in shipments this year reflected the impact of severe discounting. He added that there had been an improvement in the volume of orders for the fourth quarter and that there were good prospects which would continue into the first quarter of 1984.

Over the first nine months, losses more than doubled from $25.5m to $52.7m, while sales fell to $551m compared with $598m.

Mack Trucks edges back to surplus aided by stock gains

BY OUR NEW YORK STAFF

MACK TRUCKS, the U.S. manufacturer of heavy lorries in which Renault of France has a 45 per cent stake, made a slim $39,000 net profit in the third quarter against losses of $14.4m in the same period of last year.

The results were helped by stock profits of $4.9m for inventory carried at costs lower than current replacement costs. In addition, interest payments fell, and investment income increased.

Mack recently sold 3.3m shares in a public offering in which the Signal Group, its former owner, also offered 11.7m shares. As a result, Signal's stake has now been reduced to 10 per cent.

Sales in the three month period came to $300m against $266m. Nine month losses amounted to $30.5m compared with $30.8m on sales of $859.5m against $989.4m.

● **American Motors**, the U.S. motor company controlled by Renault of France, reduced its net loss to $9.1m in the third quarter of this year from $30.9m in 1982, but only after a $90m gain from asset disposal.

In last year's third quarter, the company also reported a $16.7m profit on the sale of assets, but before adjusting for these non-recurring items, last year's loss, at $47.6m, was less than half the $99.4m recorded in the 1982 third quarter.

Mr Paul Tippett, chairman, said however, that the group expected to make a modest profit in the final quarter. Heavy launch costs had made a significant dent in the third quarter figures, but these were now largely behind the group, and both the new jeep and the Renault Encore had received good customer reception.

Sales in the quarter rose by 21 per cent to $775.9m. Over the nine-month period, turnover increased from $1.7bn to $2.2bn, while net losses rose to $154m from $150m.

Rival bid for Hyster from Esco

By Our New York Staff

A RIVAL leveraged buy-out proposal for Hyster, the U.S. fork lift truck manufacturer, was launched yesterday by Esco, the company's largest shareholder.

Esco, a private manufacturer of earthmoving equipment and steel castings, already owns 19.7 per cent of Hyster, which it helped to launch in 1929. In an all-cash bid, it is offering $69 a share for the 4.9m Hyster shares which it does not own, valuing the company at $420.9m.

An earlier leveraged bid of $63 a share was made for Hyster in early September by Kohlberg Kravis Roberts, the New York investment specialists. But KKR's offer, while mainly in cash, included $5 a share of preferred stock.

Hyster's management reacted favourably to the proposals from KKR, which offered senior executives a stake in the equity of the buy-out company. The offer was also substantially above the stock market price of $51 a share, and its net worth then at $291m.

In a leveraged bid, financing is largely in the form of debt, which is being arranged for the Esco offer by Morgan Guaranty Trust, acting for a group of banks and financial institutions. These proposals will now be studied by a special committee established by Hyster to evaluate the KKR offer, and which has hired the investment banking firm Dillon Read to help with the examination.

Hyster, whose shares rose by $5 yesterday morning to $65, is currently emerging from a two-year period of rationalisation in which it has halved its worldwide labour force to 4,500.

West German banks back leasing venture with DM 224m

BY JOHN DAVIES IN FRANKFURT

A CONSORTIUM of West German banks has given guarantees totalling DM 224m ($86m) to help to cover risk provisions at their jointly owned leasing company, Deutsche Anlagen-Leasing (Dal).

Dal, which has just had a management shake-up, has earmarked DM 256m to provide for special reserves and for a write-down in the value of property on lease. The bank guarantees cover the bulk of this amount, on top of Dal's DM 32m operating earnings from 1982.

Prof Hans Wielens, the new chief executive, said that all five shareholder banks contributed to the guarantees, but not in proportion to their shareholding.

Westdeutsche Landesbank (WestLB), which has a 30 per cent shareholding, confirmed yesterday that it provided 40 per cent of the guarantee total.

The other banks owning Dal are Landesbank Rheinland-Pfalz, which has a 26.6 per cent stake, Bayerische Landesbank (16.7 per cent), Hessische Landesbank (16.7 per cent) and Dresdner Bank (10 per cent).

Only a month ago the banks indicated that risk provisions were likely to be about DM 120m, the bulk of which they would cover.

Prof Wielens, who was brought in from WestLB four weeks ago to replace Herr Günter Zöller, said that Dal faced about three years of hard work and would pursue a more conservative policy.

He said that Dal previously had been bent on expansion and had made virtually no risk provisions.

Dal's industrial and commercial leasing objects were given a net book value of DM 13.5bn at the end of last year.

Microprocessor research boost

BY DAVID BROWN

SWEDEN'S Industry Minister, Mr Thage Peterson, has put forward what he called "one of the most industrial/political proposals yet," – a five-year SKr 714m ($91.6m) development programme for advanced microprocessors.

Government aid will be mainly directed at two companies, one owned by Asea, the electrical power and engineering group, the other by Ericsson, the telecommunications company, said ministry officials.

"The development and production of microelectronic components is of decisive importance to our position as a first-ranking industrial nation," Mr Peterson said.

The plan is set against a growing market for custom-built, rather than standard microchips. They now make up only a fifth of the world market, but this is expected to treble by 1990, officials said.

The move, made as the Government is preparing a range of controversial cuts and tax increases, aims to reduce Sweden's strategic dependence on foreign sources of supply, said officials.

Sweden has the highest density of industrial robots per industrial worker, and its public sector, banking and post offices make extensive use of computer technology. It currently imports 80 per cent of microchip requirements, mainly from the U.S. and Japan. Hafo, owned by Asea, and Rifo, a subsidiary of Ericsson, account for the remainder.

Ministry officials said Asea's high voltage direct current power transmission and Ericsson's Axe digital telephone exchange are areas where custom-built microprocessors can be used. They are also said to be vital in Sweden's aerospace sector, and in the new JAS-39 multi-role military aircraft – at SKr 24.9bn (1981 prices) the biggest defence contract awarded to Swedish industry.

The proposal, yet to be passed by the Riksdag (parliament), calls for an initial funding of SKr 44m for 1984.

Swedes tighten share dealing rules

BY DAVID BROWN IN STOCKHOLM

SWEDEN'S Finance Minister, Mr Kjell-Olaf Feldt, has announced new government taxes on share transactions, as well as a tightening of rules on reporting and conflict of interest.

The taxes would raise an estimated SKr 900m ($115.5m) per year at current turnover levels, and would give shareholders a chance to "contribute to strengthening the budget and the economy," he said, noting the fourfold rise in share values over the last three years.

One tax on capital gains took effect yesterday "to prevent speculation" the official said and will raise "a few hundred million kroner."

A second tax on turnover – ½ per cent for both buyers and sellers – is to take effect at the start of next year.

The new rules, said Mr Feldt, would make "insider" trading a criminal offence and would be aimed at both over-the-counter shares and listed stocks. They would also tighten reporting requirements for share purchases which give an owner 5 per cent or more of a company. A proposal would be made to parliament next spring.

Profits plunge at Paradyne

By Our New York Staff

PARADYNE, the fast growing manufacturer of computer communications equipment which has been charged by the Securities and Exchange Commission with using fraudulent means to win a major contract, has reported a sharp drop in its third-quarter profits with net income down from $7m to $0.8m.

The company says that the results continue to be affected by lower than expected product deliveries, higher operating expenses and $700,000 in legal costs relating to the defence of the SEC suit against the company.

Revenues fell 3 per cent to $50.3m in the latest quarter but the company says that orders and customer activity both at home and abroad continued to improve in the quarter, bolstered by the introduction of a new family of high speed models.

For the first nine months Paradyne's net income totalled $5.4m against $19.4m. Revenues are 5 per cent higher at $153.6m.

Compaq plans public share offering

BY PAUL TAYLOR IN NEW YORK

TWO major U.S. computer manufacturers specialising in the rapidly expanding market for "transportable" personal computers yesterday announced enhanced products and one, Compaq, which manufactures an IBM-compatible machine, announced plans to go public with an initial public offering of 6m shares.

Compaq, which has emerged as one of the most successful companies to cash in on the success of the IBM personal computer with its own portable system, yesterday went a step further in its emulation of IBM's marketing strategy by announcing a new version of its own system incorporating a "hard disk."

The new model, capable of storing almost 30 times as much information as Compaq's existing model which uses floppy disk drives, follows, IBM's announcement earlier this year of its own XT model

Compaq said the new model will sell for $4,995, the same price as the IBM PC XT, compared with $2,995 for its more basic model.

Separately Kaypro, another transportable computer manufacturer, announced two new versions of its existing models incorporating two microprocessors, an eight-bit processor and a 16-bit processor.

● **Standard and Poor's**, the U.S. credit rating agency, yesterday further lowered its ratings on Warner Communication's senior debt to triple B from single A plus, and the group's subordinated debt to double B plus from triple B plus. The agency cited the huge losses at Warner Communications' Atari video game and home computer subsidiary for its decision

Coleco suffers $2.3m fall as sales slide

By Terry Dodsworth in New York

COLECO INDUSTRIES, the U.S. video game and small computer manufacturer, suffered a heavy setback in the third quarter, when earnings fell to $2.3m, or 14 cents a share, against a record $17.6m in the same period last year.

Sales also dropped steeply, declining by 31 per cent from $165.6m to $114.5m, and the company confirmed that its original targets for the shipments of its new Adam computer would not be met in the important pre-Christmas period.

Coleco put the main blame for the slide on its performance in reduced sales of software for the Atari and Mattel ranges of computer games, along with a line of table top arcade games introduced in 1982. Both Atari and Mattel have sunk deep into losses over the last nine months as the computer game market has taken a nosedive.

For the first nine months, Coleco's sales were up by 37 per cent from $307m to $421m, while earnings in the same period slipped from $29.5m to $27.6m or $1.71 a share.

Kvaerner sees little change

By Fay Gjester in Oslo

KVAERNER, the Norwegian ship and platform building and engineering consultancy group, expects profits of around NKr 350m ($48m) this year – little changed from last year's pre-tax figure of NKr 351.4m. Sales are expected to reach about NKr 4.8bn, compared with NKr 4.4bn in 1982.

The group's eight-month report showed both sales and profits up on the same period last year. Sales reached NKr 2.7bn against NKr 2.45bn in January–August, 1982, and pre-tax profits – including NKr 30m extraordinary credits – totalled NKr 201m.

Smithkline earnings up

BY OUR NEW YORK STAFF

SMITHKLINE BECKMAN, the U.S. pharmaceuticals company which is facing a stiff challenge from Glaxo of the UK in its market for anti-ulcer drugs, reported increased net earnings of 8.1 per cent for the third quarter to $128.5m or $1.55 a share.

The rise was somewhat below average for the U.S. drugs companies in the quarter, but the company said international earnings had been held down by the strength of the dollar, while some of its overseas divisions had made "less than anticipated progress."

It added, however, that domestic sales of Tagamet, its anti-ulcer drug, and the world leader in its field, were well over 10 per cent ahead of last year. International sales had also increased, led by continued penetration of the Japanese market.

In addition, gains by the eye and skin care products accelerated during the quarter, with sales up by almost 20 per cent over 1982.

Sales for the quarter amounted to $822m against $762m a year ago, while over the first nine months they rose by almost 7 per cent from $2.2bn to $2.3bn. Nine-month net earnings were up by 9.5 per cent from $337.6m to $369.7m, or $4.45 a share.

Mitel chiefs change jobs

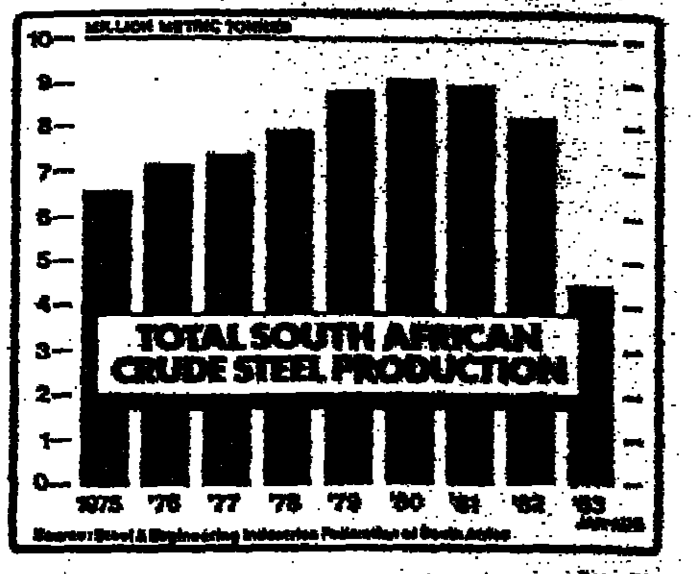
By Nicholas Hirst in Toronto

MITEL, the Canadian telecommunications group, which reported a C$8m (U.S.$6.5m) net loss in the first six months of the year on Monday, has announced a major change in its top management.

Dr Michael Cowpland and Mr Terence Matthews, the two co-founders of the company, which made its first ever loss in the first quarter of this year, have swapped jobs. Dr Cowpland, who has been president and chief executive officer, becomes chairman. Mr Matthews, who had been chairman, becomes president and chief executive officer.

Steel industry in South Africa caught in toils of change

BY JIM JONES IN JOHANNESBURG



ECONOMIC RECESSION has not been easy for South Africa's steelmakers. Not only has lower demand led to production cut-backs, but it has obliged managers to make painful reassessments of basic strategies. For many years, it was believed that economic growth in South Africa itself would provide the markets for steady increases in steel production. If the country's own economic growth slipped temporarily, it was a matter of faith that there was the export option to take up the slack.

This recession, though has differed from others. South Africa's economic cycle usually lags behind those of the main OECD countries by about two years. While the country's steelmakers were alive to the likelihood of a domestic economic downturn, most thought that export demand would be advancing as domestic purchases were weakening. This time recession has, however, lasted longer than widely expected, leaving export markets oversupplied and highly competitive, while the domestic market is in decline.

The immediate response of South Africa's steelmakers has been to cut production rates sharply and to introduce cost-saving programmes throughout the industry. More importantly, there have been fundamental changes in attitudes.

The change in management thinking at the state-owned Iscor is perhaps the most instructive. Gone are the days when steady additions to production capacity were an accepted thing. Now the view is that size is relatively unimportant. Iscor's next ten years are to be characterised by strategies based on the belief that only efficient producers operating with little excess capacity will cope successfully with the new steel market. The steelmaker has no immediate major expansion plans, and its marketing emphasis will be on selling to domestic users. As a result, Iscor is likely to have a declining amount of steel available for export as the decade progresses.

Mr Floors Kotzee, Iscor's managing director, is confident that the changes now being introduced will put his company's productivity on a par with that of the West German steel industry within two years. As it is, Iscor's workforce has been cut from over 70,000 to less than 60,000 in just over a year. The concern's liquid steel production reached a peak of 7.4m tonnes in the year ended June 30, 1980, and in the following two years output averaged 7.1m tonnes. The financial year ended last June 30, was, however, the first in which Iscor put into practice the strategy of overhauling its production methods. Production capacity is currently in the region of 6.5m tonnes a year, while in the year just ended output was about 5.6m tonnes.

By mid-1985, when the current R800m ($715m) modernisation programme is scheduled for completion, Iscor will have closed its least efficient plant and replaced it with more modern equipment.

In July this year, Iscor took control of the loss-making Dunswart Steel Company from Gencor, the mining house. As part of this highly controversial deal the steel company gave the mining house control of Samancor, South Africa's largest manganese, chrome and ferro-alloys producer. The deal also gave Iscor ownership of the Hlobane Colliery, which has long been one of its major suppliers of coking coal.

Reecession has re-shaped the sector

While Dunswart has operated with substantial losses for several years it does have the advantage, as far as Iscor is concerned, of owning South Africa's only currently operating sponge iron plant. Ownership of this facility is an integral part of Iscor's modernisation programme.

The shift towards electric arc furnaces has made life difficult for Union Steel. Its steel production is based entirely on scrap conversion and it has been forced by Iscor's developments to build its own sponge iron production facility. This is due to come into production in 1986 at a cost of about R35m. Union Steel is currently operating at about 60 per cent of its full production capacity, and in 1982 lost R1.1m before tax on its production of 172,000 tonnes of steel. Last year, Union spent R30m improving and up-grading its plant and equipment. This year, though profits have continued to deteriorate, a further R27m is to be spent on essential capital projects.

Dunswart, when Gencor gained proper control of the company in the late 70s, was faced with trying to make a profit out of plant which had been inadequately maintained, lending an urgent need for modern equipment. But while capital spending on new plant and on improvements to efficiency ran at an annual rate of R30m, Dunswart's operating profits fell steadily from 1980, under the combined pressure of declining sales volumes and increased competition.

This lesson was not lost on Iscor. Dunswart's professed determination was to sell its rolled sections at any price which would make a positive contribution to overheads. This, Iscor felt, threatened to restrain prices over a range of rolled products. Iscor controls Union Steel through that company's voting shares, and as a result Union will not compete head-on with the state-owned steel company. Dunswart, on the other hand, was reaching the stage early this year at which Iscor's best interests were served by some form of reorganisation in the industry. Losses in the first months of this year were making Dunswart desperate for sales, at prices reflecting the need to carry overheads.

Iscor's scope for further consolidation of the steel industry is, however, limited. Highveld Steel and Vanadium, the steelmaker controlled by Anglo American Corporation, is struggling with operations running at about two-thirds of capacity, but is most unlikely to enter into any form of agreement with Iscor.

Anglo American has been upset by Iscor on two counts. The first and the less important was last year's deal in which Iscor acquired a 50 per cent interest in the business of Cullinan Refractories. New steelmaking techniques use less refractories than the old, so Cullinan's move to tie up the greater part of the Iscor market made a great deal of sense. However, it has left Anglo American's indirect subsidiary Vereeniging Refractories out in the cold as far as the largest part of the domestic refractories market is concerned.

In July this year Anglo received its biggest upset, when the complex deal between Iscor and Gencor gave the latter firm control of Samancor. Anglo had been prevented by the Government from acquiring control of Samancor from Iscor in the 1970s, in a highly contentious decision. Subsequent agreements had, though, led Anglo to believe that the Government and the state-owned steel company had grown more flexible, and would eventually agree to its taking control of Samancor. Anglo did acquire an important, minority, equity stake in Samancor in exchange for its own newly-established Middelplaats manganese mine.

This, Anglo believed, would be followed by the acquisition of a larger and controlling shareholding. Immediately after the Middelplaats deal had been concluded, however, Gencor and Iscor made an agreement which would prevent Anglo from taking control of Samancor. Highveld's policies are to a certain extent, then, coloured by the attitudes of its ultimate parent. Its strategy, even at this stage of the steel market cycle, is to broaden its product range and to compete toe-to-toe with Iscor.

INTERNATIONAL COMPANIES and FINANCE

Barclays Asia sues chairman of Carrian

By Robert Cottrell in Hong Kong

BARCLAYS ASIA, a subsidiary of Barclays, the UK clearing bank, is suing Mr George Tan, the chairman of the failed Hong Kong property group, Carrian, for HK$87.5m (U.S.$80.4m). In a High Court writ filed on Friday Barclays Asia said that in April 1982 Mr Tan personally guaranteed a HK$80m loan facility made available to Carrian Holdings, the privately-owned parent of the Carrian group.

According to the writ, the credit was drawn down on April 26 1982, and has not yet been repaid despite written requests to Carrian Holdings and to Mr Tan. The HK$87.5m claim includes HK$7.5m in interest charges

Carrian Holdings is already the subject of a winding-up petition brought by Bumiputra Malaysia Finance, the Hong Kong arm of Bank Bumiputra Malaysia. A similar petition has been brought by Bankers Trust against Carrian Investments, the group's main quoted company. Provisional liquidators have been installed at both companies.

Total debts of companies in the Carrian group and associated privately with Mr George Tan are estimated at some U.S.$1.2bn. The largest single creditor is thought to be Bank Bumiputra, owed more than U.S.$500m.

In its 1982 annual report, Barclays Asia said that its HK$788m loan book included some loans "which may prove irrecoverable" but which have been guaranteed by its immediate parent, Barclays Bank International. BBI undertook to make good losses on the loans either directly or through subscription of new share capital. While the amount of loans covered by the BBI guarantee is not specified in the annual report, it is thought to be some HK$400m.

Mr Tan is currently free on bail, awaiting trial on a charge *brought against him under* Hong Kong's theft ordinance. Another Carrian director, Mr Bentley Ho, faces two charges under the theft ordinance, and is also out on bail.

Malaysian merchant bank improves

By Wong Sulong in Kuala Lumpur

ARAB-MALAYSIAN Development Bank, the largest of Malaysia's 12 merchant banks, has reported a 68 per cent improvement in pre-tax profits to 20m ringgit (US$ 8.6m) for the six months to September. The bank is wholly owned by Datuk Azman Hashim, who said results for the next six months "are expected to show further improvement."

Shareholders funds increased by over 80 per cent to 112m ringgit, loans and advances went up 47 per cent to 1.18bn ringgit, and deposits and borrowings rose 39 per cent to 1.2bn ringgit.

During the period the bank opened its fourth branch, in Kuching in East Malaysia, while its finance company added five new branches to make a total of eight.

The Government's Capital Issues Committee is expected to meet later in the week to decide on the proposal for Datuk Azman to sell off 45 per cent of AMDB to the publicly listed Taiping Textiles.

The proposal is for Taiping to issue 346.5m shares of 50 ringgit each in return for 31.5m shares of 1 ringgit each in AMDB. The proposal has been generally viewed by the market as unfavourable to Taiping, and Datuk Azmon said he expected the CIC to revise the terms in favour of Taiping.

Delay to BHP acquisition of Utah International

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE October 31 deadline for Broken Hill Proprietary's planned US$2.4bn acquisition of the Utah International resources group from General Electric of the U.S. will not be met. The deal is, however, still expected to be signed before the end of the year.

Delays have been caused by the complexities of BHP's plan to inject Utah's substantial Queensland coal interest into a consortium that would also own *BHP's existing mines in Queensland.*

The original plan was to merge the mines owned by Central Queensland Coal Associates (CQCA)—which is 68 per cent owned by Utah, with those operated by Thiess Dampier Mitsui Coal (TDM)—which is 58 per cent owned by BHP.

TDM has now been excluded from the enlarged consortium, which nevertheless has an estimated price tag of A$28.5m (US$26.2m) for each one per cent stake.

Varying stakes in CQCA are already held by Umal Consolidated, Mitsubishi Development, and the Australian Mutual Provident Society (AMP).

Neither Mitsubishi nor the AMP is thought to be interested in raising its equity involvement in the proposed consortium, so BHP is likely to take a bigger stake than originally planned, and has been trying to attract new partners to join the *consortium.*

A BHP spokesman yesterday denied recent speculation that the company had approached the Anglo-American group of South Africa, as well as a group of European steel mills.

BHP, Australia's largest company, plans to retain Utah's non-Queensland interests for itself. These include coal, copper and other mines in New Mexico, Kentucky, Canada, Brazil and elsewhere, the acquisition of which would confirm BHP as a major international resources company in its own right.

The Utah purchase is part of a broad strategy to reduce BHP's dependence on steel. It is already a significant oil and gas producer and recently struck oil with its Jabiru No. 1A well in the Timor Sea, off Northern Australia.

Japanese steel mills approached by BHP have reportedly rejected its invitation to join the Queensland coal consortium. The export coal *market is currently depressed.*

To fund the formation of the proposed consortium, BHP has already organised a finance package for up to U.S.$1.125bn with a group of about 30 banks from Australia, Japan, the U.S., Europe and Canada.

Of the Utah deal, Sir James McNeill, the BHP chairman, has said: "The timing is seen by some as adding to our difficulties; but we are buying long term assets and taking an appropriately long term view of markets."

Citicorp Australia lifts earnings

BY OUR SYDNEY CORRESPONDENT

CITICORP AUSTRALIA has reported a net profit of A$17.3m (U.S.$15.9m) for the nine months to September 30, an 8.1 per cent improvement on the same period last year. Pre-tax profit for the period was 12 per cent higher at A$30.7m.

At the same time, Lloyds International, a wholly-owned subsidiary of Lloyds Bank of the UK, reported a 57 per cent improvement in net profit for the 12 months to September 30, to A$7.2m and Associated Midland Group reported a doubling of net profit for the year to September 30 to A$6.1m.

Citicorp Australia said earnings continued to be retained within the country, to support future growth. Operating costs in the period were cut by 4.4 per cent, to A$34.6m, following near completion of an automation programme that had been a heavy charge against profit in recent years.

At Lloyds International, Mr John Mitchell, the chief executive, said all divisions had contributed to the growth. The year had seen the establishment of a larger bill trading desk, and a full-scale foreign exchange hedge desk.

● The Australian Banking Association (ABA), together with the Life Insurance Federation, is unhappy with a suggestion by the Australian Associated Stock Exchanges (AASE) that banks, life offices, and pension funds be excluded from ownership of stockbroking firms.

The AASE told the Trade Practices Commission on Monday that it was prepared to change its membership rules by next March, and allow outside interests (excluding banks) to acquire up to 40 per cent of member firms. "If a bank wanted to go into share broking, it ought to be able to," an ABA spokesman retorted.

Downturn for OK Bazaars

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S largest retail group, OK Bazaars, has been hurt by changing purchasing patterns resulting from the country's economic downturn. In the six months to September pre-tax profits fell to R12.1m ($10.8m) from R19.2m in the corresponding period of 1982.

First-half turnover rose to R810m from R731m. In the year to March 31 1983 a pre-tax profit of R49.4m was earned on turnover of R1.59bn.

The company said its difficulties arose from changes in purchasing patterns of the middle and lower income groups. Disposable incomes were dramatically affected, the directors say, by the recession and the effect on OK's trading was accentuated by a pronounced trend away from purchases of consumer durables and semi-durables.

The board is pessimistic on OK's immediate prospects. It does not expect a meaningful economic recovery to occur in the second half of the current financial year. As a result trading conditions are expected to remain difficult.

Apart from its problems with lower sales of the more profitable durable goods, OK is locked in battle for market share with its two main competitors, Pick n Pay and Checkers. South Africa's three main retail groups have been cutting margins on staples and non-durables and retail industry analysts believe that the price war will continue at least until the New Year.

OK has cut its interim dividend to 33 cents from 44 cents while first half earnings dropped to 54.6 cents a share from 88.3 cents. The year to March 31 1983 saw a total dividend of 142 cents and earnings of 230 cents a share. OK is 17.4 per cent owned by South African Breweries.

BAT offshoot in India maintains strong growth

BY P. C. MAHANTI IN CALCUTTA

ITC, the BAT subsidiary in India, has maintained strong growth during the 15-month period to June. The company has used a 15-month period to facilitate the change over to a new accounting year.

ITC had a record turnover of Rs 7.9bn ($808m) and strong after-tax profits of Rs 244.7m. During the previous 12-month period turnover was L5.8bn and net profits amounted to Rs77.7m.

The company has declared a dividend of 22.5 per cent compared with 18 per cent previously. This is the highest dividend paid by the company in recent years.

ITC is now a well diversified company covering food and packaging, tobacco and tobacco products, and hotels and it recently made a strong bid to take over a cement company. This has now fallen through but the company plans to expand its business operations in new directions in the near future.

● Mr V. P. Singh, India's Commerce Minister, has described as "hypothetical" the question of whether or not the entire Indian textile industry is to be nationalised. It is known that the government has been studying such a proposal, reports K. K. Sharma from New Delhi.

In the wake of the nationalisation of 13 mills in Bombay recently, the government is presently examining a proposal to nationalise at least 17 more mills in the states of Gujarat and Pondicherry since these are no longer financially viable and have suspended production.

Japanese oil groups in refining merger

By Yoko Shibata in Tokyo

MARUZEN OIL and Daikyo Oil have agreed to merge their oil refinery divisions to form a new company by the end of March 1984, after separating their oil refinery and sales divisions from the parent companies. The new company will become Japan's third largest oil refiner after Idemitsu Oil and Nippon Oil. The sales divisions of the *companies are also expected to* merge later.

Mr Yoshio Nakayama, the president of Daikyo, and Mr Masahiko Shima, the president of Maruzen, said the tie-up could develop into a full merger in the future.

Mr Nakayama is likely to be president of the new company, which will be owned 46 per cent each by Daikyo and Maruzen, 5 per cent by the Industrial Bank of Japan, and 3 per cent by Sanwa Bank. A steering committee will soon be set up to discuss details of the merger.

The merger is expected to restore competitiveness for both companies by a considerable reduction in refinery costs through the integration of oil procurement and refining facilities. However, the workforce of both companies will be maintained at current levels.

Maruzen Oil is Japan's fourth largest refinery with a market share of 7.8 per cent and Daikyo is the 10th largest with 5.5 per cent. The attraction of the merger to Maruzen is believed to be that it could be delisted from the Tokyo Stock Exchange, unless it takes positive steps by next March to deal with its cumulative losses. These exceeded its net worth by Y49.4bn ($212m) at the end of March 1983.

Maruzen's losses have been caused by weak management and delayed tactics in coping with a reduction in oil demand. Its pre-tax losses were Y28.7bn *in* 1980-81 *and expanded to* Y99.2bn in 1981-82.

Reconstruction measures helped the company to report pre-tax profits of Y4.1bn in 1982-83 but its cumulative losses still exceed its net worth and if the company cannot solve its financial problems, it can be delisted for failing to pay a dividend for five consecutive years or for posting cumulative losses in excess of its net worth for three consecutive years.

Mr Sonosuke Uno, the Minister of International Trade and Industry, has welcomed a planned merger of the oil refinery divisions of the two companies, since the agreement is expected to stimulate other oil refiners to follow suit.

North American Quarterly Results

AVON PRODUCTS

Third quarter	1983 $	1982 $
Revenue	677.9m	720.8m
Net profits	24.9m	34.2m
Net per share	0.33	0.45
Nine months		
Revenue	2.05bn	2.08bn
Net profits	96.9m	113m
Net per share	1.30	1.60

CHESEBROUGH-POND's

Third quarter	1983 $	1982 $
Revenue	460.5m	445.9m
Net profits	44.73m	43.43m
Net per share	1.25	1.24
Nine months		
Revenue	1.3bn	1.2bn
Net profits	98.04m	103.2m
Net per share	2.74	2.95

CITY INVESTING

Third quarter	1983 $	1982 $
Revenue	1.53bn	1.47bn
Net profits	53.9m	38m
Net per share	1.19	1.05
Nine months		
Revenue	4.38bn	4.32bn
Net profits	120.3m	104.1m
Net per share	2.83	2.92

CLUETT PEABODY

Third quarter	1983 $	1982 $
Revenue	240.9m	239.6m
Net profits	11.2m	9.2m
Net per share	1.29	1.08
Nine months		
Revenue	616.9m	602.9m
Net profits	19m	17.7m
Net per share	2.14	2.03

COMBUSTION ENGINEERING

Third quarter	1983 $	1982 $
Revenue	747.7m	853.6m
Net profits	16.8m	35.7m
Net per share	0.51	1.08
Nine months		
Revenue	2.2bn	2.65bn
Net profits	64.8m	105.2m
Net per share	1.95	3.18

COMMONWEALTH EDISON

Third quarter	1983 $	1982 $
Revenue	1.52bn	1.19bn
Net profits	324.5m	235.8m
Net per share	1.84	1.54
Nine months		
Revenue	3.54bn	3.19bn
Net profits	843.2m	474.4m
Net per share	3.81	3.0

EMHART CORP

Third quarter	1983 $	1982 $
Revenue	393.3m	400.8m
Net profits	19.5m	17.7m
Net per share	1.56	1.46
Nine months		
Revenue	1.24bn	1.31bn
Net profits	55.7m	56m
Net per share	4.45	4.58

FLORIDA POWER AND LIGHT

Third quarter	1983 $	1982 $
Revenue	993.3m	913m
Net profits	127m	106.4m
Net per share	2.14	1.96
Nine months		
Revenue	3.21bn	3.06bn
Net profits	320.6m	317.9m
Net per share	5.31	5.29

FRUEHAUF CORP

Third quarter	1983 $	1982 $
Revenue	582.9m	449.9m
Net profits	5.9m	†5.3m
Net per share	0.41	†0.43
Nine months		
Revenue	1.51bn	1.42bn
Net profits	†10.5m	†23.2m
Net per share	†1.04	†1.86

† Loss

GERBER PRODUCTS

Second quarter	1983 $	1982 $
Revenue	191.7m	180.4m
Net profits	13.4m	9.59m
Net per share	1.0	0.72
Nine months		
Revenue	383.7m	363.0m
Net profits	25.1m	19.5m
Net per share	1.87	1.46

HARRIS CORP

First quarter	1983-84 $	1982-83 $
Revenue	349.6m	341.8m
Net profits	14.3m	14.7m
Net per share	0.45	0.47

HERSHEY FOODS

Third quarter	1983 $	1982 $
Revenue	462.7m	443m
Net profits	29.6m	27.8m
Net per share	0.94	0.89
Year		
Revenue	1.24bn	1.15bn
Net profits	69.9m	70.5m
Net per share	2.23	2.25

HOLIDAY INNS

Third quarter	1983 $	1982 $
Revenue	446.2m	394.2m
Net profits	47.7m	38.7m
Net per share	1.25	1.01
Nine months		
Revenue	1.19bn	1.09bn
Net profits	104m	87.3m
Net per share	2.86	2.23

HOUSEHOLD INTL.

Third quarter	1983 $	1982 $
Revenue	–	–
Net profits	59.7m	25.1m
Net per share	1.09	0.38
Nine months		
Revenue	–	–
Net profits	148.5m	77.4m
Net per share	2.54	1.20

KNIGHT RIDDER NEWSPAPERS

Third quarter	1983 $	1982 $
Revenue	355.6m	316.1m
Net profits	26.4m	23.8m
Net per share	0.79	0.73
Nine months		
Revenue	1.06bn	963.8m
Net profits	79.1m	66.8m
Net per share	2.37	2.05

LEAR SIEGLER

First quarter	1983-84 $	1982-83 $
Revenue	369.8m	351.3m
Net profits	15.6m	12.5m
Net per share	0.93	0.75

MARTIN MARIETTA

Third quarter	1983 $	1982 $
Revenue	983.9m	892m
Net profits	33m	38m
Net per share	0.96	0.76
Nine months		
Revenue	2.74bn	2.85bn
Net profits	103.9m	94m
Net per share	3.23	1.81

MAYTAG

Third quarter	1983 $	1982 $
Revenue	157m	120.1m
Net profits	17m	11m
Net per share	1.22	0.80
Nine months		
Revenue	455.7m	320.8m
Net profits	45.9m	28.4m
Net per share	3.30	2.05

MILTON BRADLEY

Third quarter	1983 $	1982 $
Revenue	112.5m	110.2m
Net profits	4.3m	10m
Net per share	0.59	1.36
Nine months		
Revenue	242.8m	250.8m
Net profits	42,000	15.5m
Net per share	0.01	2.69

NATIONAL CAN

Third quarter	1983 $	1982 $
Revenue	489.2m	439.6m
Net profits	19m	15.4m
Net per share	1.88	1.51
Nine months		
Revenue	1.25bn	1.2bn
Net profits	15.3m	29.5m
Net per share	1.45	2.87

NATIONAL DISTILLERS & CHEMICAL

Third quarter	1983 $	1982 $
Revenue	632.1m	449.4m
Net profits	9.5m	15.5m
Net per share	0.22	0.41
Nine months		
Revenue	1.88bn	1.37bn
Net profits	36.9m	61.9m
Net per share	0.92	1.70

NEW YORK TIMES

Third quarter	1983 $	1982 $
Revenue	250.7m	219.7m
Net profits	14.6m	10.8m
Net per share	1.12	0.86
Nine months		
Revenue	793.2m	681.6m
Net profits	57.8m	44.8m
Net per share	4.45	3.56

PACCAR

Third quarter	1983 $	1982 $
Revenue	374.1m	256.7m
Net profits	9.4m	6.2m
Net per share	1.04	0.59
Nine months		
Revenue	946.9m	939.7m
Net profits	19.8m	26.3m
Net per share	2.19	2.90

PHILADELPHIA ELECTRIC

Third quarter	1983 $	1982 $
Revenue	663.3m	661.6m
Net profits	122m	100.4m
Net per share	0.78	0.73
Year		
Revenue	2.6bn	2.63bn
Net profits	383.7m	324.6m
Net per share	2.47	2.39

PRENTICE-HALL

Third quarter	1983 $	1982 $
Revenue	131.2m	124.4m
Net profits	18.5m	18.4m
Net per share	1.86	1.85
Nine months		
Revenue	314.5m	292.1m
Net profits	24.3m	23.5m
Net per share	2.45	2.37

RYAN HOMES

Third quarter	1983 $	1982 $
Revenue	155.9m	103.6m
Net profits	5.5m	2.2m
Net per share	0.77	0.33
Nine months		
Revenue	441.5m	270.4m
Net profits	15.2m	2.3m
Net per share	2.16	0.25

ST. REGIS

Third quarter	1983 $	1982 $
Revenue	737.7m	686.7m
Net profits	16.8m	50.1m
Net per share	0.48	1.47
Nine months		
Revenue	2.05bn	1.95bn
Net profits	39.9m	94.2m
Net per share	1.09	2.74

SHERWIN-WILLIAMS

Third quarter	1983 $	1982 $
Revenue	530.2m	491.4m
Net profits	23.1m	18.8m
Net per share	0.95	0.89
Nine months		
Revenue	1.5bn	1.41bn
Net profits	48.1m	37.9m
Net per share	2.00	1.81

Peachey slips but lifts total payout

ALTHOUGH pre-tax profits of Peachey Property Corporation were slightly down for the year ended June 30, 1983, the property investment, dealing and trading group is lifting its dividend by 0.75p to 6p net by an increased final of 3.75p.

Profits at mid-year showed a £332,000 advance to £3m but a £367,000 downturn in the second half, compared with the same period last year, left the full-year taxable figure £35,000 lower at £6.69m.

Turnover was well down at £8.12m (£9.27m) but total revenue expanded from £5.28m to £5.84m before deductions of £1.35m (£1.23m) for administration expenses and £57,000 (£182,000) interest charges.

Profit on trading operations declined from last year's "abnormal" £2.85m to £2.25m.

The annual revaluation of properties, excluding developments, showed a surplus of £4.7m. Additions to the property portfolio during the year totalled £16.7m which, after allowing for disposals, gave rise to a net increase of £13.9m.

The group's property assets, including developments in progress, exceeded £100m for the first time.

In a statement accompanying the full-year results the directors, headed by Sir Charles Ball, the chairman, say they are confident that the group has the capability to achieve still further growth.

In particular, they say it will continue its residential sales programme and, with the proceeds and the borrowing facilities available, expand and improve its commercial property portfolio.

It is pointed out that net assets per 25p share, reflecting the surplus of £4.7m on the annual revaluation, have risen again and at 269p represent a gain of 89 per cent over five years.

Attributable profits for the 1982-83 year emerged at £3.6m, compared with £3.95m, after deducting tax of £3.08m (£3.14m) —last time extraordinary credits added £366,000.

Earnings came through 0.1p higher at 12.3p.

The directors say the most notable event of the year was the purchase of west side of the Carnaby estate last June. This estate adds to the group's existing holding on the other side of Carnaby Street, where Peachey has successfully carried out substantial improvements and refurbishments over recent years with considerable income and capital growth.

HIGHLIGHTS

Lex investigates the latest trends in the property market as highlighted by an increased level of corporate activity and comes to the conclusion that some upturn is on the way. The column then moves on to the results from Gallaher which show a significant increase in market share thanks to a stronger than expected improvement in UK cigarette sales. Lex then moves on to comment on the latest turn of event at Burnett and Hallamshire where a statement on Monday has put the skids under the share price for two days running.

● comment

Peachey Property has been one of the better performing shares in the property sector and news of a better than expected pretax profit of £6.6m helped edge them back up 2p to 165p just 2p below the year's high. The 14 per cent increase in net dividend yields 5.3 per cent. Peachey continues to improve the quality of its assets, selling residential properties and improving its commercial portfolio. Carnaby Street, which is valued at around a fifth of its total portfolio looks set to make a substantial contribution in the next three to five years as the tacky 1960s image is upgraded for the 1980s. The £10.7m purchase of the Crown Estates chunk of the famous street looks a real bargain. The bulk of 194 tenancies expire in the next two years allowing Peachey to achieve a new tenant mix in the shops while refurbished offices are getting rents from £8 to £12 per square foot.

Earnings and dividend lift for Samuel Properties

HIGHER EARNINGS and dividend are announced by Samuel Properties for the year ended June 30 1983. And the directors are forecasting a satisfactory level of profitability to be maintained over the next few years.

Following a partial revaluation of the investment property portfolio, shareholders' funds at June 30 totalled £59.44m. This is equal to 209p per share, compared with 189p a year earlier.

Earnings moved ahead by 2.2p to 10.85p, while a final dividend of 3.77p lifts the net total from 4.6p to 5.2p.

Profit expanded from £3.66m to £4.27m. After tax £1.11m (£1.15m), minorities £24,000 (£12,000), and extraordinary credits £222,000 (£22,000), the net balance came out at £3.36m (£2.52m). The dividend cost is £1.49m (£1.32m after waivers).

The directors' forecast for the next few years takes account of the substantial development programme planned and the rental income growth from existing properties.

Laidlaw forecast

The Laidlaw Group, which consists of six Ford main dealerships, is coming to the Unlisted Securities Market in a placing by merchant bankers Noble Grossart of 2m shares at 45p each. That values the whole company at £3.84m. The placing document makes a profit forecast for 1983 of £950,000, putting the shares on a prospective fully taxed multiple of 7.6. The gross dividend yield at the placing price is 7.94 per cent. Dealings are expected to begin on October 31.

Of the 2m shares being placed, half are new shares issued to raise £307,000 net of expenses, and the rest are being sold by existing shareholders. The proceeds of the placing will initially be used to reduce bank borrowings of about £3m.

New Australia

Net asset value of the New Australia Investment Trust amounted to 97.9p per 50p share at end-September 1983, compared with 68.4p at the same time last year.

Earnings totalled 1.63p (1.5p) per share for the 12 months and a dividend of 1.5p (1.25p) is declared. Gross income rose from £203,000 to £268,000 and available profits emerged at £81,000 (£75,000) after interest of £63,000 (£1,000), expenses of £66,000 (£60,000) and tax of £58,000 (£68,000).

Francis Inds. confident of further improvement

INTERIM TAXABLE profits of Francis Industries rose from a restated £166,415 to £469,110, and the directors are confident that the improvement in performance will continue.

Their confidence stems from moves, currently being undertaken, aimed at concentration of resources on most profitable activities. The moves arise from the end of last year when the directors decided to commence a major re-appraisal of the company's longer term strategy following changes in each of the industries in which it operates.

Turnover for the six months to July 3 1983 increased by £1.73m to £18.94. After tax of £94,000 (£144,000) net profits emerged higher at £375,110 against £22,415. Earnings per share are given as 3.34p (0.17p).

Comparable figures have been restated to incorporate the entire loss of Samon Securities as an extraordinary item. For the first half, extraordinary debits are shown as £58,689 compared with £558,451.

The interim dividend of this industrial holding company with interests in engineering, specialising in the manufacture of packaging and industrial products, is being maintained at 1p net.

The directors say that the recent move of its head office to London will improve the effectiveness of group management, particularly in relation to its subsidiaries.

Also, the directors add, the move has resulted in some useful savings in terms of staff numbers, transport and building service costs.

Contracts have been exchanged for the sale of the old head office for £55,000, which had a book value of £27,340. Mr G. J. F. Alexander was appointed a director of Francis on September 5.

● comment

At last Francis Industries' spending on new packaging plant looks as if it is producing real reductions in operating costs. Margins have widened radically to 2.5 per cent and nearly tripled pre-tax profits on a mere 10 per cent increase in turnover should do something to deter any further unwelcome advances from Suter. The shares reached 65p during the day, but ended unchanged at 62p, where the historic yield is 4.6 per cent. The disposal of Agovox's losses only underline the limitations on Francis to further increase profits and market share on the packaging side—at least in its present form. In a more or less mature industry, there are sound trading reasons for taking over smaller competitors. And a few acquisitions might just make Francis too big for Suter to swallow. Since gearing has risen to nearly 50 per cent of shareholders' funds, it would not be surprising to see Francis issuing some paper over the next year or so to help it set off on the acquisition trail.

Richardsons Westgarth improves halfway

ARISING FROM the initial phase of restructuring under new management, Richardsons Westgarth, engineer and stockholder, has shown a substantial improvement in the first half of 1983 by cutting its loss from £834,000 to £113,000 before exceptional redundancy, closure and re-location costs this time of £228,000.

This makes the pre-tax loss £341,000 for the period. In the second half of 1982 the group was still in loss to the tune of £1.75m.

Mr Tony Hepper, chairman, says the improved performance is in accordance with expectations and reflects the energy with which the new managing director, Mr John Macdonald, and his team acted to stem losses which were escalating rapidly.

The chairman says the achievement of a trading profit for this year will be largely dependent upon the successful outcome of contracts at Haigh & Ringrose and Humber Graving Dock, where the group has a £20m contract to build a diving support vesesl for Houlder.

"As to 1984, we are in discussions with another company about new offshore work to replace the Houlder contract," Mr Hepper states.

In the 1983 half year turnover rose from £26.33m to £31.88m. After minorities £10,000 (£12,000), and an extraordinary charge £347,000 (tax credit £6,000), the attributable loss came out at £678,000 (£816,000).

The extraordinary item represents the trading and loss on disposal of subsidiaries net of a provision set up for this purpose in the second half of last year. Before the extraordinary charges loss per share was 2.6p (6.4p).

The chairman says the major loss making situations had to be dealt with as a priority, "but we are now reaching a stage where we are able to devote more effort to developing our profitable companies, some of whose trading results are very encouraging."

The sale of the subsidiaries S.P. Gears and Cromarty Firth Engineering have both been concluded. In addition, the disposal of Richwest Electronics has recently been completed. Of the 1982 year's trading loss of £2.6m these three companies together lost £1.6m.

Contracts have been exchanged for the sale of the lease of the London office and the group will move to less expensive premises.

● comment

Richardsons Westgarth has continued to throw out loss-makers with unabated determination, even if it has had to sell them for less than book value. It now looks well on the way to breaking even this year after two years of losses. Interim payments on Humber Graving Dock's £20m diving support vessel could even pull Richardsons into the black this year, depending on the progress of the contract. Volumes have improved in steel stockholding and at Burgess Heating Merchants, but trading conditions elsewhere still looked depressed. Future earnings growth depends very much on the group's ability to continue cutting overheads and on its success in moving away from its traditional heavy engineering base towards activities where fixed costs are lower, like merchanting and stockholding. Meanwhile, the shares rose 1p to 28p, where Richardsons is capitalised at £3.5m, well under half net asset value.

Kwik-Fit progress is maintained

THE confidence expressed in the chairman's last annual report—he said another year of progress was expected—has been borne out in the interim figures of Kwik-Fit (Tyres and Exhausts) Holdings. Pre-tax profits improved from £1.57m to £2.41m in the six months to August 31, 1983.

The interim dividend is effectively increased from an adjusted 0.683p to 0.7843p, an increase of 15 per cent. Last year a total of 1.432p was paid from pre-tax profits of £2.87m (£1.56m).

The directors say trading is currently running at the increased level, and although traditionally the second half shows a downturn compared with the first half results, it is anticipated that full year's results will reflect the continuing progress.

At the present time, the group is operating through 239 specialist automotive repair centres, and a further 26 depots are currently under development.

Group turnover improved substantially from £21.13m to £28.24m. Trading profits rose from £1.75m to £2.51m, and property and investment income was up from £160,000 to £479,000.

The pre-tax figure was after interest charges of £576,000 compared with £338,000. Tax took £994,000 (£426,000), leaving £1.42m (£1.14m). Figures include £113,000 net of interest from Crest International Securities from the date of acquisition.

Earnings per 10p share improved from 2.06p to 2.3p.

● comment

Kwik-Fit's interim profits are, if anything, slightly ahead of outside expectations, but the shares fell a couple of pence to 82p. What the market may be picking out is the contribution from Crest. The manner of its acquisition did not endear Kwik-Fit to its institutional investors, and it looks as though earnings dilution has resulted. The offer document for Crest denied the intention to sell any of its assets, but Kwik-Fit now euphemistically says that it is reviewing the Crest portfolio. The trading profit increase of 44 per cent on turnover growth of 34 per cent does not look like the kind of operational gearing shown by Kwik-Fit in the past. However, advertising expenditure was £1.5m greater than in the comparative period. The chairman's remark about the seasonal weakness of the second half suggests that it would be unwise to expect more than £4.5m pre-tax from Kwik-Fit this year, indicating a prospective multiple, fully taxed, of over 15. That is no pressing reason for the shares to rise above their recent dull performance.

Warrior Resources may apply for full SE quote

BY DOMINIC LAWSON

Warrior Resources, the Canadian energy company which raised money from UK investors at the height of the Canadian oil stock boom a few years ago, is likely to apply for a full Stock Exchange listing.

Currently, its shares are dealt in London under Rule 163 (4) (a)—they have a full listing on the Vancouver Stock Exchange.

Yesterday Warrior reported pre-tax profits of C$470,097 (£255,000) for the year to end-May 1983, which compared with a loss of C$1.47m the previous year.

Mr Watkin Gittins, the group president, said the turnaround was "entirely due to the imposition of proper management disciplines."

Last summer Mr Gittins and institutional investors in Warrior pooled forces and voted the then management off the board.

Warrior said yesterday: "The new management reduced overheads, introduced stricter financial controls and concentrated on converting Warrior's substantial oil and gas reserves into cash and profit."

The company said that at $29 per barrel its reserves have a total undiscounted future net revenue value of almost C$91m.

However, only 5 per cent of Warrior's total proven reserves are producing income, and in August the group started a programme of 15 new development wells in Texas and Oklahoma. The first three wells have been completed and results of the tests will be announced shortly.

Warrior has also recently branched out into the minerals business, acquiring what it describes as "potential gold and silver bearing zones in Washington State and California."

The profits announced yesterday included operating income of $230,092 (loss $624,926). Total revenue amounted to $1.48m ($1.29m) and net income per share totalled $0.1 (loss $0.3). Its shares gained 1p and closed in London at 76p.

Assd. Farmers share offer

A NEW COMPANY is being formed to give investors a chance to take a slice in a farming venture. Associated Farmers is raising money by an offer for subscription of 25p shares at £1 each in order to buy a farm, or perhaps more than one farm, in the eastern counties.

The subscription list opens next Monday.

The attraction of the offer is that Associated Farmers has been given provisional clearance to qualify under the Business Expansion Scheme. This means that high rate tax payers can offset their investment against their top rate tax liabilities.

Therefore a 75 per cent tax payer can invest £1 at an effective net cost of 25p a share.

Stockbrokers Margetts & Addenbrooke are handling the issue and agricultural specialist surveyors in Norwich, William H. Brown, will find a suitable farm for the new company and act as farm agents.

Yearlings at 9 13-16%

The coupon on this week's issue of local authority bonds is 9 13/16 per cent, up one-sixteenth of a percentage point from last week and compares with 9⅞ per cent a year ago. The bonds are issued at par and are redeemable on October 31 1984.

A full list of issues will be published in tomorrow's edition.

UK COMPANY NEWS

Downward trend continues at Runciman

WHILE pre-tax profits for the first half of 1983 at Walter Runciman have slumped from £1.03m to £447,000 the directors say that this is a material recovery from £44,000 achieved in the previous second half.

Turnover in the first half expanded from £26.69m to £32.77m.

The directors expect group pre-tax profits for the second half of 1983 to be similar to those of the first. In the last full year pre-tax profits of this shipping, freight agency, insurance and security group, amounted to £1.07m (£2.32m).

The net interim dividend has been held at 2.5p. In the last full year a final of 2.5p was also paid.

At the end of the last full year the directors said that pre-tax profits for 1983 could be expected to show a significant improvement on results for 1982.

The directors now say that the shipping market continues to be seriously depressed and that domestic demand for physical security products remains low.

Within the shipping division Currie Line, George Gibson and Liquid Gas Equipment were all profitable, but Anchor Line's eastern service operated at a loss.

The security division recovered sufficiently from last year's losses to reach breakeven.

Gallaher advances by 51% in third quarter

WITH a third quarter increase of 50.7 per cent in pre-tax profits at Gallaher, results for the nine months to the end of September 1983 rose sharply from £54.9m to £88m. Both tobacco and non-tobacco sectors performed well says Mr S. G. Cameron, chairman, with trading results cumulatively ahead by 34 per cent and 49 per cent respectively.

Pre-tax profits for the third quarter increased from £21.3m to £32.1m.

Turnover, excluding VAT, of this group, which is a subsidiary of American Brands, moved up from £1.65bn to £1.91bn for the nine months.

Brand names of Group togacco products include Benson and Hedges Special Filter, Silk Cut, and Old Holborn.

In the last full year pre-tax profits came to £75.1m on turnover of £2.23bn.

Breakdown of turnover for the three months of £664.5m (£592.4m) and trading profits of £34.1m (£24.8m) shows: tobacco £502.8m (£445.1m) and £25.1m (£17.5m); optical £23.6m (£16.2m) and £4.4m (£2.3m); pumps and valves £27.5m (£22.2m) and £1.7m (£2m); distribution £130.7m (£118m) and £1.7m (£2.8m); office products £16.4m (£13.1m) and £1.3m (£0.3m); less inter-divisional sales of £36.5m (£22.2m) and adjustments to trading profits of £0.1m (same).

Mr Cameron says that interest charges of £2m for the three months, against £2.5m, were well contained. Provision of £2.7m net of tax has been made for closure costs.

In the UK, tobacco results continued to benefit from increased market share. Export progress was maintained, with sales up 32 per cent this year. Results of overseas subsidiaries were slightly down, mainly because of the instability of the West German market.

Third quarter results from optics were "impressive," says Mr Cameron. This reflected a good contribution from the UK and Spain, with Italy showing some signs of recovery.

Results in pumps and valves were still being affected by weak UK demand and continuing difficulties in exporting to Nigeria. Nevertheless, cumulative figures were slightly ahead of last year, helped by generally satisfactory results from overseas companies.

Despite intense competition in distribution, Mr Cameron says that trading has been satisfactory. Although trading profits for the nine months were ahead, there was a reduction in the third quarter because last year's results included exceptional benefits from the effect of price increases on stocks.

The performance of the main companies in office products progressed well. Results, after nine months, matched last year's despite major reorganisation costs. Eastlight, acquired earlier this year, has made a good contribution.

Tax for the third quarter increased from £8.7m to £14.6m. After minorities of £0.1m (nil) and extraordinary debits of £2.7m, attributable profits emerged ahead from £12.6m to £14.7m.

See Lex

Humber Stores

Mr A. J. Richmond and Mr R. A. Barker of Peat, Marwick, Mitchell have been appointed joint receivers of Humber Stores Contractors, Hull, hardware merchants.

However, the company is continuing to trade in the short term.

Times Veneer in profit

IN THE first half of 1983 1983 timber, veneer and processed wood products maker and merchant "The Times" Veneer Company returned to profits with a pre-tax surplus of £31,591, compared with a loss of £41,894. In 1982 the company made a taxable loss of £181,023.

But despite earnings per 5p share given as 0.45p (losses 0.59p) there is again no interim dividend—the last payout was a final in respect of 1979.

Sales in the opening half came to £2.41m (£2.15m). There was again no tax charge—last time extraordinary debits came to £19.019.

The directors of this close company point out that Swandrake became a wholly-owned subsidiary during the period. Previously, 49 per cent of that company's equity had been held by the group and it had been treated as an associate for accounts purposes. The relevant share of its results has been incorporated in accordance with the equity interest held in each period.

Looking to the second half they say the group's products are in demand and the overall trading circumstances remain encouraging. Accordingly the directors are hopeful that further advances will be made and that these will be reflected in results for the full year.

Leading Leisure

Leading Leisure, a Southampton-based entertainment and leisure group, is raising £1.2m through a over-the-counter placing of 4.8m shares at 25p each by Harvard Securities. At the placing price the company is capitalised at £4.8m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-ponding div.	Total for year	Total last year
English Natl. Prefd. int.	4.4	Dec. 9	4.25	—	10
English Natl. Defd. int.	1.95	Dec. 9	1.8	—	5.1
Francis Inds. ....int.	1	Jan. 4	1	—	2
Japan Assets Trust	0.05	Dec. 22	0.1§	0.05	0.1§
Kwik-Fit ....int.	0.78	Jan. 5	0.68*	—	1.43*
New Australia	1.5	Dec. 7	1.25	1.5	1.25
Peachey Prop.	3.75	—	3	6	5.25
Walter Runciman ...int.	2.5	Jan. 5	2.5	—	5
Samuel Props.	3.77	Jan. 9	3.3	5.2	4.6

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 14 months: special non-recurring dividend.

MINING NEWS

Poor third quarter for Asarco

BY KENNETH MARSTON, MINING EDITOR

ANOTHER disappointing third quarter result is announced by a North American natural resource major. Asarco, the big U.S. smelter and refiner of non-ferrous metals reports a fall in third quarter net earnings to $2.85m (£1.9m) from $27.6m in the previous three months.

This brings the total net earnings for the first nine months of the year to $46.6m, equal to $1.27 per share. In the same period of 1982 there was a net loss of $83m which included an extraordinary charge of $51.1m arising from the decision to end equity accounting for its interest in Revere Copper and Brass. This holding was later sold.

The profit of $27.6m in the second quarter of this year was swelled by foreign currency gains of $20.9m. The small profit for the latest quarter was struck after including currency gains of $4.8m, pre-tax profits of $7.2m from inventory liquidation and after-tax benefit of $3.5m from the capitalisation of exploration costs relating to the new Aquarius gold mine.

Thus, if these special items are excluded. Asarco fell back into losses in the latest quarter despite a rise in sales to a value of $386.7m from $380.3m in the second quarter. So there appears to have been an increase in unit costs.

Average prices of silver and copper, the company's major products, were lower in the past quarter.

Silver averaged $12.03 per ounce compared with $12.14 in the second quarter while the U.S. domestic price of copper averaged only 77.7 cents per pound compared with 81 cents in the previous three months. Both prices are considerably lower at the moment.

When the second quarter results were announced in July the company pointed out that the third quarter of the year is usually a slow one owing to seasonal factors.

It warned that because basic industry tends to lag some six to nine months behind an economic recovery, "we feel that the outlook for the balance of the year should be viewed conservatively."

On the latest occasion Mr Ralph L. Hennebach, the chairman, says that the earnings outlook for the rest of this year is uncertain. He cites the decline in prices of silver and copper coupled with a weakening in copper custom smelting and refining profits because of curtailed U.S. mine output.

Mr Hennebach comments that State-owned copper producers outside the U.S. have maintained their output while demand has fallen. This has resulted in a build-up of large stocks of copper on world commodity exchanges and depression in copper prices.

However, he adds: "Capital goods production is expected to increase as the economic recovery continues and this should strengthen demand for copper and other non-ferrous metals in 1984."

INTERNATIONAL ROUND UP

PLATINUM PRICES could top $3,000 per ounce before the end of the decade, according to a Johannesburg academic. This compares with yesterday's London free market price of just under $400 per ounce.

Professor Roger Gidlow, associate economics professor at the University of the Witwatersrand, said that he expects industrial consumption to rise by 10 per cent this year and more in 1984, cancelling out the surplus of supply over demand for the first time since 1979.

Supplies from South Africa and the Soviet Union, which account for more than four-fifths of the world's platinum, are unlikely to grow much over the next few years, Professor Gidlow said.

* * *

The Lonrho group's Coronation Syndicate made net profits of R1.24m (£690,000) in the three months to the end of September, compared with a loss in the previous quarter of R19,000. This brought the net profit for the year to the same date to R1.3m, up from R185,000 in 1981-1982.

Contrary to the earlier warnings from Mr S. C. Newman, chairman, to the effect that the company was unlikely to pay a dividend for the year, the interim of 2 cents has been followed by a final of 18 cents, making a total of 20 cents.

These encouraging results follow the payment of a dividend totalling Z$1.3m (£812,500) from Corsyn Consolidated Mines, the group's gold and copper mining company in Zimbabwe.

Corsyn made net profits of Z$1.3m in the September quarter, down from Z$1.4m in the three months to end-June, but showed a strong improvement over the full year. Net profits for the 12 months totalled Z$6.52m, up from Z$546,000 in the previous year.

The junior Australian gold exploration company Samantha Exploration has moved to increase its holding in the profitable gold producing property Horseshoe Lights, near Meekatharra, Western Australia.

Samantha is to acquire an extra 8.9 per cent of Horseshoe Lights, raising its total interest to 19.14 per cent, through the payment of A$1.08m (£635,000) in cash and the issue of 400,000 new shares at a 20-cent premium.

This will go to purchase Holdaway Proprietary, which is in receivership and which holds the interest in the gold property.

Mr David Muller, Samantha's chairman, said he sees a useful and growing cash flow from his company's stake in Horseshoe Lights, which came into production in July.

* * *

The reorganisation of the Lac Minerals group of Canadian gold producers continues with the news that Lake Shore Mines, a member of the group, has agreed to buy a total of 90,000 shares of Little Long Lac Gold Mines at a price of C$36.25 (£20). Little Long Lac is also a member of the group.

At the same time, Lac Minerals, the lead company, plans to buy 30,000 Little Long Lac shares in exchange for 35,365 Lac Minerals shares.

The group also announced that Lac Minerals is to maintain its new higher dividend rate of 15 cents per share with the next payment, due on December 2.

* * *

Latest drilling results from the big Windy Craggy copper deposit in British Columbia indicate much better grades than previously reported for the important precious metal by-products.

Canada's Falconbridge, which owns 51 per cent of the deposit, and Geddes Resources with 49 per cent, have reported an assay of 1.21 per cent copper, 9.2 grammes of gold per tonne and 9.6 grammes of silver across a width of 61.23 metres in one hole.

A higher grade intersection within this interval, all above the 500-metre below surface level, assayed 1.49 per cent copper, 16.43 grammes of gold per tonne and 5.45 grammes of silver over a width of 23.7 metres.

This higher grade intersection was unexpected, although apparently it is not unusual in this type of deposit. The northern half of the orebody is running significantly better in all the potentially commercial minerals of copper, cobalt, gold and silver, with traces of zinc.

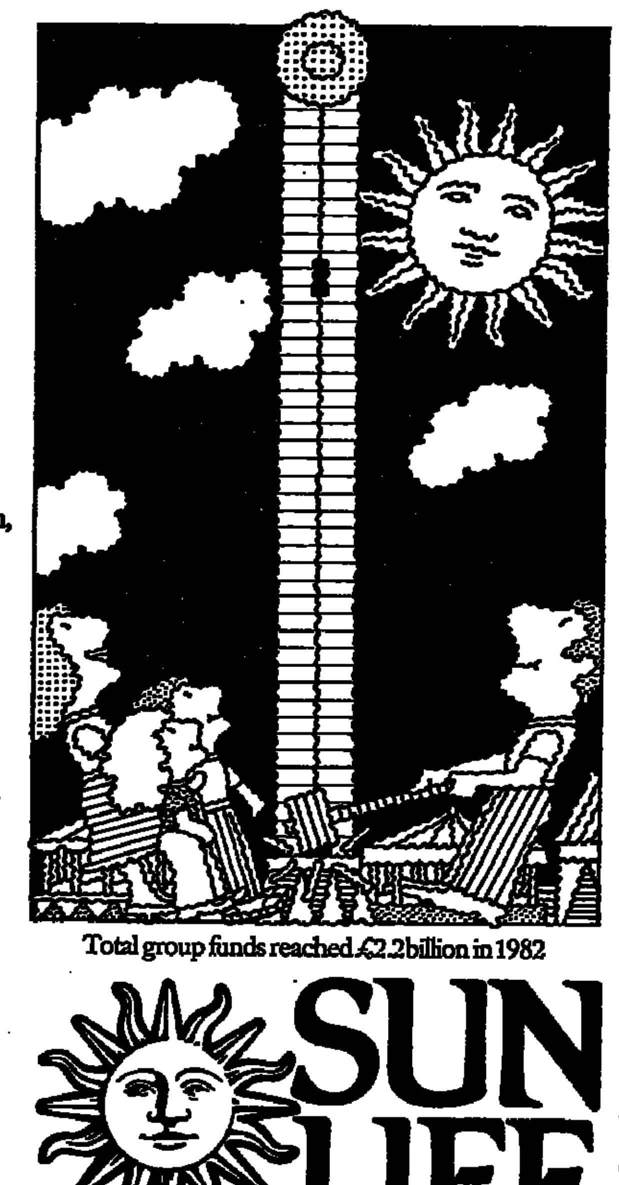
Ore reserves were last estimated in January at 350m short tons. There was no new estimate with the latest drilling results, but the summary of the whole 1983 programme of exploration expected in about six weeks may well contain further information.

Clyde Petroleum

Clyde Petroleum has acquired Leven Oil, another company with which it has a participation agreement relating to Clyde Exploration and production projects in the U.S.

The consideration for the purchase has been satisfied by the issue to Levan shareholders of 338,415 Clyde 25p ordinary, for which application is being made for dealings on the Unlisted Securities Market.

The price for the acquisition has been based on the current value of Levan's properties and current assets.



BIDS AND DEALS

Royal Worcester defence under fire from Crystalate

BY RAY MAUGHAN

Crystalate Holdings, the electronics group bidding £20m for Royal Worcester has returned to the attack on its target's record, and specifically its defence document, in the scant few days before the offer for the china, industrial ceramics and electronics group reaches its first closing date on Friday October 28.

Writing to Royal Worcester shareholders, Mr John Leworthy, the Crystalate chairman, says forcefully that the "defence rests heavily on questioning the benefits of the merger with Welwyn Electronics and contending that it offers no scope for increasing profits. This is patent nonsense and should not, I am sure, be tolerated by the line management of any of the companies concerned.

"Your board's inability to see the industrial sense of this merger is indicative of their attitude over the last few years."

Mr Leworthy acknowledges that "its activities are not the same as those of Welwyn Electronics. Indeed, were there more similarity between the two companies' electronics activities, there would be less sense in merging. We repeat our opinion that the combined technologies of Crystalate and Welwyn Electronics and their design, manufacturing, test and marketing facilities will complement each other and will produce a major force in the components and assembly sector of the electronics industry."

There is no response from Crystalate to some of the key elements of the defence documents, namely an attack on the volume of stock, on loan stock conversion, which Crystalate proposes to issue, the lack of a cash alternative and the future of the china activities which the bidder has indicated may be sold or floated off.

Nevertheless, Crystalate has set out the reasons why "Royal Worcester's rejection of Crystalate's offer is unsound and should be ignored by shareholders."

Hogg Robinson in takeover talks with Wakefield Fortune

BY DAVID DODWELL

Hogg Robinson Travel, a subsidiary of the Hogg Robinson insurance group, is at an advanced stage of discussions with Holland America Line on the possible purchase of HAL's wholly-owned UK travel agency group, Wakefield Fortune International.

If the deal were to be successfully completed, it would make Hogg Robinson Travel one of the UK's three largest travel agency businesses, with a combined turnover of about £250m a year.

Hogg Robinson's shares rose by 7p on the London Stock Exchange on news of takeover talks, closing at 130p.

Holland America Line, a privately-owned company with offices in the Netherlands and in Stamford, Connecticut, is understood to have been seeking a buyer for Wakefield Fortune since June—it took 100 per cent control of the company in 1976.

HAL revealed consolidated losses in the first six months of 1983 of $15.8m (£11.2m), compared with losses of $2.33m in the first half of 1982. When the figures were disclosed in August, the company said it was "taking necessary steps" to sell "certain assets."

Mr Harry Pape, head of the group's financial division, said in Stamford yesterday that problems were rooted in the cruise business, particularly in North America where intense competition was eroding profitability.

Earlier this month, HAL announced the sale of two 750-passenger luxury cruise ships to the Tung Group of Hong Kong for an undisclosed sum.

Neither Wakefield Travel nor Hogg Robinson Travel were prepared yesterday to comment on the likelihood of any deal being successfully concluded.

It was nevertheless disclosed that talks had been in progress for about 10 weeks, and that barring fresh obstacles, a settlement could be reached within the week.

At present, Wakefield Fortune and Hogg Robinson vie for third place in the informally-calculated rankings of UK travel agents. With just under 100 outlets apiece, they lag far behind Thomas Cook and Pickfords which both have more than 200 outlets.

But their turnover — Wakefield reported about £100m in 1982, with Hogg Robinson reporting about £150m — puts them closer to the two market leaders.

Wakefield Fortune is thought to have been only marginally profitable over the past 18 months, but this is in part due to a programme of heavy investment in new technology, and to the acquisition in January this year of Blue Star Travel, a subsidiary of the Blue Star Line, for an undisclosed sum — thought to be about £2.5m.

Eagle formally rejects Allianz and lodges case for referral

BY ERIC SHORT

UK composite Eagle Star Holdings yesterday formally rejected the bid made last week by Allianz Versicherung, West Germany's largest insurance group.

Eagle Star yesterday also lodged a formal submission with the Office of Fair Trading (OFT) as to why it believes that the bid should be referred to the Monopolies and Mergers Commission.

Allianz is offering 500p a share for the outstanding equity of Eagle Star which it does not already own, valuing Eagle at £692m. The bid came after attempts by Allianz to increase its shareholding to 40 per cent —which would give it effective control—had failed. Morgan Grenfell, Allianz's advisers, stresses that Allianz's aim is still a 40 per cent stake.

Sir Denis Mountain, Eagle Star's chief executive, in his letter to shareholders, states that behind its "soft words," the intent of Allianz was clear—to seize control of Eagle Star at a derisory price.

The statement goes on to tell shareholders to ignore the documents sent to them by Allianz and also advises them not to sell any of their shares in the stock market. It points out that any sales would only help Allianz.

Eagle Star's formal approach to the OFT is contained in a 67-page document and was fully expected. The company appealed to the Office over two years ago when Allianz acquired a 27.8 per cent holding in June 1981. The decision then was that Allianz's 27.8 per cent holding was not against the public interest and the bid was not referred to the Monopolies and Mergers Commission.

Sir Denis Mountain said yesterday that Eagle Star was a major financial institution controlling £3.5bn of funds, the bulk of which belonged to policyholders. These funds should not be allowed to fall under the control of a foreign institution without detailed investigation to see whether it would be in the national interest.

The UK insurance industry is currently expressing concern over the national interest issue. It is pointed out that no UK insurance company could obtain control of a West German insurance company without the move coming under detailed scrutiny by the West German Federal authorities.

This argument is expected to be given prominence when Eagle Star representatives meet OFT officials, possibly later this week.

The OFT stated that this bid would be considered afresh and that a decision from Mr Norman Tebbit, Secretary of State for Trade and Industry could be expected before the first closing date of the offer on November 12, 1983.

This bid will present Mr Tebbit with his first major decision on bids since his recent appointment. It will also be the first test on the new guidelines on competition outlined last week by Mr Alex Fletcher, minister responsible for corporate and consumer affairs at the Department of Trade and Industry.

Streeters suspended on bid talks

Streeters of Godalming, the public works and civil engineering contractor, announced yesterday that it was in talks which may lead to a full offer. The shares were consequently suspended at 38½p, valuing the group at just under £2.9m.

Streeters has been deeply embroiled for a number of years with arbitration concerning loans to a former associate in Saudi Arabia and, since 1979, has had Richard Costain as a major shareholder after the purchase of a 22.5 per cent stake at 30p per share.

It is expected that a statement clarifying the position will be made tomorrow (Thursday, October 27), and it is also understood that Costain will emerge as the bidder.

Fairey Exhibitions

Agreement has been reached for the purchase of certain assets of Fairey Exhibitions by the company's senior management. The assets have been bought for around £25,000.

Exhibitions is based at Hamble and is a subsidiary of Fairey Marine, which is a member of the Fairey Holdings Group whose parent company is S. Pearson & Son.

The business will be carried on under the name Intex. Mr Dave Flower will be chairman and managing director, Mr Brian Jacobs production director, and Mr Dennis Mason financial director. Mr Flower and Mr Jacobs were respectively director and general manager and production manager of Exhibitions. Mr Mason has come from Fairey Marine.

Intex will retain the previous staff and workforce.

Bluemel Bros.

Bluemel Bros. says Hammond International Inc. has sold 333,000 of its ordinary shares and 999,000 new ordinary (14.64 per cent of each class) to Bulkeley Investment.

Caparo/Brockhouse

Caparo Industries has acquired a further 100,000 ordinary shares in Brockhouse. This brings its holding up to almost 2.95m shares, equal to 17 per cent of the capital.

Audiotronic buys Micro Equipment

Audiotronic Holdings has acquired in a cash and share deal the capital of the Micro-Equipment Centre, which trades as wholesaler and retailer of telephone systems and related electronic equipment from its premises in Bath.

The directors are confident that Micro will have a significant impact on the prospects of the Audiotronic group in its policy of development in the field of communications.

Initially, Audiotronic will pay £112,000 cash, which is equivalent to Micro's net tangible assets (of which £39,000 is net cash), together with a deferred consideration based on the pre-tax profit achieved by Micro in the year ended September 30 1984.

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COMPANY NOTICES

RESTAURANTS

PERSONAL

Wace not up to target—planning rationalisation

FIRST-HALF 1983 results of the Wace Group show a continuing improvement but they are not as good as the directors anticipated. Operating profit rose from £10,000 to £62,000 and the pre-tax loss was cut from £312,000 to £85,000.

The loss incurred by Friarsgate Studio exceeded the profit made by the rest of the group. "This cannot be allowed to continue" and the directors have plans for the disposal of the business and premises. Redundancy costs and losses on the sale could be as high as £150,000.

"The outline budget of the rationalised organisation shows a healthy profit for 1984, and every effort is being made to achieve these long-awaited results," the directors tell members.

Turnover of the group, which serves the needs of the advertising, printing and graphic arts industries, fell from £2.76m to £2.29m in the half year. The loss was struck after interest paid of £81,000 (£99,000) and exceptional charges of £66,000 (£223,000).

Profitability of all units increased compared with the second half of 1982, with the exception of Composite Graphics and Friarsgate. Expenses have been reduced in Composite, turnover is recovering and the company has started to trade profitably.

In July trading was poor, but the following two months have exceeded budget with the exception of Friarsgate. For the second half the directors estimate that the operating profits will be sufficient to cover interest payable, and the loss will represent the exceptional expenditure.

For the full year 1982 the group incurred a loss of £508,000 (£806,000) including exceptional expenditure. No dividend has been paid since the final of 0.72p in June 1981.

Another 117 companies wound up

Compulsory winding up orders against 117 companies have been made by Mr Justice Nourse in the High Court.

They were: Vose, Premier Word Processing Agencies, Waldquelle (UK), T. Sweeney & Co.

Ambograde, F. C. Smith (Bermondsey), V. I. P. Homes, Barbid, Heathrow Mercantile, Dustmead.

K. C. L. East West (Smithfield), Little Rock, Computing Techniques (International), Computing Techniques, Graham Blakeley Auto Electrics.

H. & H. Haulage, Ashton Gas Services (Slough), Hopmere Builders, Moststar, Cavendish Sales Cassette Centre, Image Exhibition Services.

Roblence Securities, R. C. Seal & Co, Boundhurst, Lucerne Restaurant (Bournemouth), Flashamber, Project Sales and Marketing, Circuit Productions.

Hizon, Cromagnon, Gleamclean, Gima and Fraser, Fast Form (Automotive Products), A. and F. Developers, Empire House,

Stone Facings (Rochdale), Hillside, Hilden Exporters, Mura Electronics UK, Sweetday.

Warrengorse, Tralee House, Queenpar, Keymar Builders, Beacon Import-Export, Dupac Transport & Trading.

Newman Transport Services, Locana Leasing, S. B. W. Trading (Fancy Goods), E. Bierton and Son, Eltrox Engineering, Angela Hartford, Kexion.

Vouchmark, Costa Blanca Investments, T. M. C. (Realisations), Alpinegrove, Reid-Jones, Private Spy, Decision Base Learning Systems.

Radnall Orton, AEC Electric Hand Dryer Servicing Company, Kepbourne, I. Richman (Luton), Mervyn Mark (Builders).

Frank Wright Shoes, 606 Cars, Vicply, Pledgewarren, Ada Catering, Avon Fashions, Senarta Lee.

R. G. Twyman, Edgar Davies (Surgicals), Rightsteel, Gold Star Window Cleaning Contractors, Millbank Cleaning Co, Philson Tailorcraft, Graham Burrows.

Jencorose, Woodrow Wilson & Co, Exarm, Royca Fashions Manufacturing Co, Waste Lubricating Oils, Arrowplate.

The Colchester Restaurant and Bar Co, ICC Engineering, Modern Filtration, Complete Audio Systems, Intervideo.

Motorhaul, CMI Consolidated Mercantile International, Lentronics (Laboratories), Butler Trading (Southsea), Hologram Recording, Essex Vehicle Repair Centre, Showsigns.

Cravenland, Thermfoam, Nidward, Mepal, Trophy Roofing, Ternfreight International, Anglo International Technical Services.

Hurstvale Haulage, Elizabeth Keyes, Calvin Antiques, John Elkins (Trussed Rafters), Ecco Jewellery, Blanding Engineering.

Cube Industries, Elmcrest Hotels, L. Tolley, The Moss Gear Company, S. Brosnan Paper Suppliers, J. C. & W. Smith (Fuel Recovery), Vetrella (UK).

A compulsory winding up order made on October 10 against Lala Trading Co was rescinded and the petition dismissed by consent.

Border & Southern

At September 30, 1983 net asset value per 10p share of the Border & Southern Stockholders Trust totalled 166.9p, against 116.5p, after prior charges at par and 167.8p, compared with 117.6p, after prior charges at market value.

Earnings for the year to end-September declined from 3.5p to 3.28p per share. A final dividend of 1.85p (1.7p) lifts the net total to 3.15p (3p).

Available profits amounted to £3.25m (£3.47m) after tax of £1.96m (£2.13m).

Japan Assets Trust

A dividend of 0.05p net has been declared by Japan Assets Trust for the year to September 30 1983. A payment of 0.1p was made in the previous 14 months.

Net asset value per 10p share improved from 20.27p to 46.14p and earnings per share were 0.1p against 0.15p.

Unfranked investment income for the year was up from £134,000 to £166,000, but deposit income fell from £63,000 to £18,000. Expenses accounted for £137,000 against £120,000 and the tax charge was halved at £16,000.

English National

At September 30, net asset values relating to shareholders of English National Investment Company have shown growth. For preferred ordinary holders their value per share has risen to 196.3p from the 170.8p of 12 months earlier, and for deferred ordinary it is up to 121.3p, against 95.8p.

For the half year ended September 30 1983 net income rose from £75,000 to £84,000, after tax of £39,000 (£35,000). Gross income came to £156,000 (£144,000).

Earnings for the preferred were 5.32p (4.98p) and for the deferred 2.87p (2.51p). The interim dividend on the preferred is lifted to 4.4p (4.25p) while deferred holders receive 1.95p (1.8p).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Advance Securities, Avana, Boosey and Hawkes, Border Breweries (Wrexham), Foster Brothers Clothing, Gill and Duffus, Henderson Group, TR Natural Resources Investment Trust, Wire and Plastic Products.

Finals: Acsis Jewellery, British Assets Trust, David Dixon, Rowland Gaunt, Manson Finance Trust, TR Australia Investment Trust.

FUTURE DATES

Interims—	
Fortnum and Mason	Nov. 4
Gieves	Oct 31
Goldberg (A.)	Nov 4
Linread	Nov 9
Pilkington Brothers	Dec 7
Finals—	
Associated Heat Services	Nov 14
Audio Fidelity	Oct 27
Hepworth (J.)	Nov 2
Herman Smith	Nov 2
Prestwich Parker	Nov 1

Humber Fertilisers achieves 110% rise in full year profits

Humber Fertilisers, Britain's largest manufacturer of organic based fertilisers, achieved a 110 per cent increase in full year pre-tax profits from £68,996 to £144,995.

Sales for the 12 months to June 30 1983 improved from £2.27m to £2.9m, and operating profits emerged higher at £174,942 against £110,348. The pre-tax result was struck after interest of £29,947 compared with £41,353.

Organic based fertiliser sales, of this unquoted company, increased by over 23 per cent at a time of difficult market trading conditions, say the directors.

They add that they have continued to improve the operation of the manufacturing process, particularly with the introduction of microprocessor based mixing plant. This has improved the efficiency and accuracy of the mixing process, they say.

They state that the programme of improvements has continued into the current year, and approximately £100,000 has been spent reorganising and centralising the bagging unit.

The company now has a network of more than 60 selling agents supported by four area sales managers covering the whole of the UK.

This improved coverage and co-ordination, together with the product improvements undertaken, has been reflected in increased sales achieved to date, they say.

As at June 30 net current assets stood at £453,307, up from £397,235, and shareholders' funds are shown as rising from £742,087 to £854,742 with a £112,655 surplus carried over from the profit and loss account (loss £36,287).

During the year there was an increase in net working capital of £111,661 compared with £375,181.

Lister sees improvement

REORGANISATION of production facilities and rationalisation of the product range of textiles manufacturer Lister & Company in recent years are enabling the group to take advantage of increased demand through increased productivity, Mr John Segal, chairman, tells shareholders in his annual statement.

This gives the directors confidence in the future, and accounts for the return to profits — as reported on October 5 — in the second half of the year to March 26 1983, he explains.

The second half profits of £47,000 (£91,000) reduced the loss for the year to £272,000 (profits £100,000). With the loss per 25p share given as 2.29p (earnings 0.56p) the year's dividend was held at 0.1p net.

At the year end shareholders' funds had risen from £12.37m to £20.91m following a surplus on the revaluation of properties of £9.25m, and there was loan capital outstanding of £7.2m (£1.3m).

Fixed assets were valued at £27.56m (£17m) and net current assets came to £312,000 (liabilities £3.44m) including overdrafts of £8.26m (£12.62m). During the year there was an increase in working capital of £3.9m (£131,000) including a rise in net liquid funds of £4.47m (fall £1.19m).

Ferry Pickering starts confidently

A satisfactory first quarter is reported by Mr P. G. Nixon, chairman of Ferry Pickering Group, the printing, packaging and publishing concern.

In his annual report, Mr Nixon says the current financial year has opened with the same seasonal pattern as last, with a satisfactory first quarter and a second which "looks to be very good indeed."

It is the group's intention now to develop new markets to enable it to maintain higher machine loadings throughout the year.

As known, pre-tax profits were down from £1.47m to £1.37m in the year to June 30, 1983. The balance sheet shows shareholders' funds up from £6.26m to £6.91m. Net current assets were £3.43m against £2.96m. There was an increase in net liquid funds of £120,177 (£436,378 decrease). Meeting: Leicester, November 14, noon.

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DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

October 1983: Vol. 12, No. 10

3-year old recession in Japan has ended, but export-led recovery could be fragile

The Economic Planning Agency on September 1, in issuing its monthly business diffusion index, also announced the turnaround of Japan's three-year-old recession. The Agency said the previous business peak was observed in February 1980 and the trough in February 1983.

The length of the latest recession — more than three times that of the past average of 11.2 months — indicates the magnitude of the second oil shock. Because of the unusually long recession, corporate hopes for business recovery are now all the stronger.

According to the Short-term Economic Survey of Principal Corporations conducted by the Bank of Japan in August, major corporations in manufacturing industries expect gains of 6.4 per cent in sales and 33.9 per cent in profit for the second half of fiscal 1983 over the first half, and those in nonmanufacturing industries anticipate gains of 5.7 per cent and 29.2 per cent, respectively.

Increased exports sustain production recovery

Japan's economic recovery since this spring has been supported by brisk exports. In terms of volume, seasonally adjusted exports, after dipping 1.2 per cent in the October-December quarter of 1982, increased by 5.1 per cent in the January-March quarter and by 3.2 per cent in the April-June quarter over the preceding terms.

Exports in July dipped 0.3 per cent from June but rose sharply — by 5.1 per cent — in August over July.

On the other hand, imports are marking time, with the result that the cumulative trade surplus at the end of the April-July period reached $12 billion. If exports continue to expand at the current pace, trade and current account surpluses both will set new all-time records.

Production and shipments have been on the uptrend since the start of this year. This is due largely to the recovery of exports.

Export shipments rose 5.1 per cent in the January-March quarter and 2.6 per cent in April-June over the preceding quarters, whereas domestic shipments registered minimal increases of 0.5 per cent and 0.7 per cent in the first two quarters of this year.

External demand accounted for almost 100 per cent of the increase in shipments in the January-March quarter and for about 80 per cent in the April-June quarter, according to MITI's "Mining and Manufacturing Production Index." Conversely, it may be said that domestic demand has not emerged from its stagnation yet.

Some improvement in corporate business outlook

As shown in the diagram, corporations have become more optimistic about business prospects. The outlook as seen by export-oriented firms, such as machinery, automobile and textile companies, has brightened conspicuously. However, the ceramics, construction, real estate and retail industries take a gloomy view, mirroring the sluggishness of domestic demand. Medium and smaller firms in the manufacturing sector have become more optimistic, but those in the nonmanufacturing sector, which is relatively less connected with exports, is grim in its judgment of prospects. Thus optimism and pessimism are clearly divided along industrial lines.

Assessment of the business outlook by almost all industries and companies of all sizes is that it will take a turn for the better. However, for this to become a reality, increased production — triggered by increased exports — will have to generate a gain not only in corporate earnings but also in personal income and, further, stimulate corporate investment and household expenditures. What are the possibilities?

First, household expenditures. The growth of real disposable income of worker households is minimal. Reflecting this, their real consumption expenditures have been sluggish, rising only 1.3 per cent in the January-March quarter and 0.2 per cent in the April-June quarter over the previous year's levels. Compared with 1982, real consumption expenditures of all households dipped 1.1 per cent in the April-June quarter after rising 1.2 per cent in the January-March quarter. These figures indicate that the decelerated growth in worker households' income and sluggishness of their consumption expenditures has also braked consumption spending of the self-employed.

Sales of large retail stores in July increased over July 1982 by a sizeable 4.9 per cent, the first high growth recorded since last October. This was due primarily to brisk sales of home air-conditioners and electric appliances (up 17.0 per cent from the 1982 level).

Stepped-up sales of these items were attributable largely to the heat wave that hit Japan from late July through August. Considering that the year-to-year increase in nominal wages in July was 3.8 per cent, however, the marked growth of consumption spending in July must be regarded as only a temporary phenomenon.

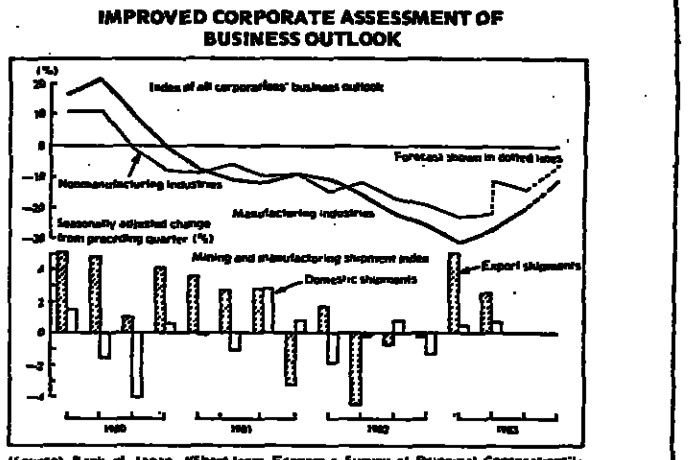
Turning to plant and equipment investment, the Bank of Japan's Short-term Economic Survey in August showed that investment by principal corporations in all industries dipped 0.5 per cent in the first half of fiscal 1983 from the preceding half-year period, and that investment plans for the second half are 3.4 per cent smaller than for the first half.

When compared with the bank's May survey, which had indicated that investment would be off by 6.3 per cent in the second half, an upward revision of capital investment plans for the second half is noticeable. This is probably because profit is expected to rise in the second half due to higher selling prices and other factors.

Relaxation of corporate finance to continue

The underlying tone of corporate finance continues to be easy. The money supply (average outstanding balance of M_2+CDs) increased by 7.6 per cent in both the January-March and April-June quarters over the preceding quarters, exceeding the nominal GNP growth rate of about 5 per cent per annum.

IMPROVED CORPORATE ASSESSMENT OF BUSINESS OUTLOOK



(Source) Bank of Japan, "Short-term Economic Survey of Principal Corporations"; MITI, "Mining and Manufacturing Production Index"
(Note) • As the number of nonmanufacturing corporations covered in the survey was increased beginning in August, the line is not continuous.
• The survey on corporate business outlook is conducted in February, May, August and November each year, the shipment index shows the quarterly average.

Corporate demand for funds is weak due to the slowdown in capital investment and the trimming of inventories. Financial institutions, on the other hand, are eager to lend money, so there is a growing feeling of easy fund positions among businesses.

Conspicuous gains in production indicators

There are many factors that do not warrant optimism about the future of Japan's macroeconomy.

However, data on individual industries and commodities indicate a glimmer of hope not only for the so-called advanced industries but also for industries that have suffered from the recession.

The industries whose production index is more than 40 per cent higher than in the base year (1980) and whose year-to-year production growth in June was greater than 10 per cent are all advanced industries such as business machines, radio/television, audio equipment, communication/electric parts and components, semiconductor elements, integrated circuits, computers, timepieces, and photo sensitized supplies.

All of them are benefitting from a marked increase in both domestic and external demand for their goods.

Even among the structurally distressed industries the steel industry has begun to see a ray of hope as a result of the substantial drop in inventory-sales ratio and the rally in its production since this spring; nonferrous metals and textiles have successfully lowered their inventory-sales ratio, although an increase in production is not yet evident.

Business management's expectation of recovery stems from the improved outlook of the microeconomy. This accounts for the fact that corporate business outlook is not based entirely on macroeconomic factors — typically, the real economic growth rate.

Considering that the total economic pie has become bigger and the service sector has become active — although figures on its activities are not available in conventional statistics — there is ample possibility that corporate assessment of business prospects will continue to rise for the time being.

The three-year recession has finally ended. Microeconomic indicators have gained brightness. The tempo of economic recovery in the United States is surprisingly fast.

It should be noted, however, that Japan's takeoff from the recession depends largely on the recovery of her exports, and that the U.S. economy is still fettered by high real interest rates, which deter a full-scale recovery based on plant and equipment investment.

On the other hand, factors that could aggravate trade friction, such as Japan's snowballing current account surplus, have become increasingly salient.

Thus the economy must still be watched closely before its future shape becomes clearer.

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The next DKB monthly report will appear Nov. 29.

THE ARTS

The Relapse/Lyric, Hammersmith

Michael Coveney

Simon Callow, the outstanding bravura actor of his generation, has a successful knack of appropriating lush comic roles seemingly rendered impregnable by his seniors. He matched and then trumped memories of Leonard Rossiter's Arturo Ui some years ago; and now, in the perfect setting of the Lyric, Hammersmith, he challenges comparison with Donald Sinden's 1967 Lord Foppington.

In a way, much of Callow's career has been marking time for this part, and he took a dry-run at it in the role of Lord Are in Bond's *Restoration* (1981) at the Royal Court. Whereas Sinden struck lightning on the pay-off tags ("Stap me vitals," "Strike me dumb"), Callow threads his imperious way through the gargled vowels, as written, and holds them up for our delighted inspection from the minute we learn he has bought a title for "ten thawsand pawnd".

He caresses the language with relish, taking a squeaky cue from his tiny page and unthrottling to full diapaison within the space of a short paragraph. He holds on to his vocal reserves until the very last, squinting and mincing his way through the assault on Sir Tunbelly Clumsey's daughter like an absurd prize poodle—part toy, part animal—that is wound up in the wings before each entrance.

Simon Callow

Foppington must painstakingly start all over again each time he appears and Callow finds something freshly physical on each instant. His levée is juicily handled, his pass at Amanda bravely delivered. *Arrested* as an imposter in the country he is bound from head to toe and still manages to skip painfully downstage to his impoverished brother (Christopher Fulford) before jumping queasily off to the dog kennels. From there he returns to assert his identity with his huge periwig obliterating his right cheek like a dishevelled haystack.

As it should be, this is the star turn of William Gaskill's refreshing revival which has the great merit of retaining our interest in the complicated double plot. The passages with the chaplain and the nurse for once make sense. And the virtuous Amanda's suspicions of Loveless's "relapse" are resonantly underpinned by her own near-seduction by the devious Worthy, a scene beautifully spoken and executed by Lorna Heilbron and Nicky Henson.

The Tunbelly scenes are under-egged and over-yokelled, although Sally Jacobs's prettily representational designs cleverly contain them on a three-in-one under-scaled rustic fortress. The girl Hoyden, according to Marsha Miller, is a Cockney Jamaican of spurious pedigree.

Much more successful are the lubriciously conniving Berinthia of Dona Croll, the meditatively obnoxious Loveless of Oliver Cotton, and the creakily homosexual Coupler of Fred Pearson.

As usual, long passages of this wonderfully subtle text demand considerable patience, but virtue is rewarded thanks not least to Andy Phillips's lighting and the delightful costumes by Kandis Cook. Roderick Skeaping's music combines acid commentary with Lullyesque pastiche, and the masque is strikingly presented as a company postcard.

Transatlantic Connections

Max Loppert

The latest series by the New Macnaghten Concerts is proposed under the general title of "Transatlantic Connections." It is an attractively loose, capacious theme; and in the first of its six concerts, by the Albany Brass Ensemble at the Wigmore Hall on Monday, brass quintets by Maxwell Davies and Elliott Carter provided a suitable and stirring central juxtaposition.

Maxwell Davies' quintet (1981), longest and most taxing piece on the bill, aims to draw from a brass ensemble the chamber-music intimacy and concentration of argument normally associated with less assertive instrumental combinations. It is at once a formidable and an elating, stirring achievement—the natural hubbub of a brass quintet is disciplined into three tautly held movements haunted (as so much recent Maxwell Davies) by "the ghost of sonata form."

There is a marvellous sense of movement sustained and varied in this music—an *allegro* flung urgently out of introductory trills and whirls, a slow middle movement laid out with an almost Brucknerian grandeur of span, a finale pulsing forward only to be broken off and newly wrought. One immediately feels that this variety derives in every detail from the composer's taming of a brass quintet's natural energies; he has achieved a virtuoso exercise whose deeper purpose is wonderfully plain and unadorned.

It was delivered with thrilling technical address and imaginative sympathy; but Maxwell Davies had already followed a busy new piece, *Gosforth Rhapsody* (rather like Arthur Benjamin's *Jamaican Rumba* rendered fashionably "minimal") by Steven Ingham, and by the close of the first half, lips and tongues had been given a heavy work-out. Perhaps it was for this reason that the Carter quintet (1974) emerged thereafter far heavier and blunter than the score would appear to warrant; the outlines of its brilliantly good-humoured discourse were confidently laid out, but the light, fine scurries of its dramatic detail were regularly thickened.

Lindsay Kemp/Sadler's Wells

Martin Hoyle

Lindsay Kemp divides critical opinion right down the middle. His latest offering, a double bill of the Walton/Sitwell *Façade* and a newly-devised showcase, *Nijinsky the Fool*, neatly epitomises both the magic and the self-indulgence of his anything-goes dive into the conjuror's top-hat of theatrical tricks. At best his reminders of harlequinade and pantomime are infectiously enjoyable: at worst his prima donna act smacks of monumental audacity. Here it doesn't quite come off.

The entertaining *Façade* is an object lesson in restraint. It is fully clothed and, as far as one can tell, sexually orthodox. Sensibly realising that *Wunderkind* Walton and the genteelly iconoclastic Sitwell could beat him at his own game, Mr Kemp does it straight, linking the poems on the thread of an Edwardian family outing to the seaside.

Time was when his points of visual reference would have been Beardsley and Donald McGill; here he evokes both the sleekly enamelled ambivalence of Kai Nielsen's illustrations and the sturdy Englishness of the sculptor Sam Smith, whose chunky toy-like wooden models sum up a whole mythology of striped bathing-suits, boys in sailor suits and mashers in candy-stripe blazers. Emanuele Luzzati's sets and costumes add a mischievous sideways glance at *Death in Venice* (Britten's as well as Visconti's), while never abandoning the vision of a Firbankian Bournemouth.

Microphones slightly thicken the voices so that not even Neil Cunningham gets all his words across. The Incredible Orlando, blacked-up and bejewelled like an immigrant from *Valmouth*, gains from having some of the slower numbers to speak, and relishes every word. Spanish maids, clownish admiral and even (for the Swiss yodelling song) a pantomime cow do much to justify the programme note's claim to equal partnership with Walton and Sitwell. The Koenig Ensemble accompany with gusto, occasionally—as in "Scotch Rhapsody" where the reciter Vivien Dixon battled to be heard—too much so.

In the second piece Mr Kemp plays Nijinsky mad and fantasising, which avoids the necessity of dancing. Neil Caplan's silently mouthing Diaghilev/Dr Miracle/Svengali is effective in the noiseless scream of his death; a Harlequin figure and a ballerina represent Nijinsky's muse and emotional fulfilment respectively; and Carlos Miranda's score unwisely recalls real ballet in snatches from Weber, Rimsky-Korsakov and Stravinsky. There is much billowing and anguish; but not very much of substance. Go for the first half. *Façade* has ten times the talent of *Cats*.

Television/Chris Dunkley

. . . and then on Wednesday . . .

The weekly diary of a TV critic

WEDNESDAY

One of the difficulties in continuing to work year after year as a critic is the suspicion that, without realising it, you may have gone stale and started to produce reactions which are merely professional. But once in a while such fears are allayed by a programme that produces a tremendous upsurge of feeling which, you realise later, was wholly spontaneous. Nor does this happen only with powerful dramas or vastly ambitious documentary series. It happened today with BBC 1's *Rough Justice*, a relatively slight programme perhaps within the entire span of television history but one which had me cheering wildly in my armchair and feeling proud to be connected with the business of journalism and the fourth estate.

In its first series *Rough Justice* showed with frightening clarity that there was room to doubt the rightness of the convictions in two murder cases and one of sexual assault. Their new series will look at further doubtful convictions but today they started by going back to those first three cases and showing that in the intervening 18 months the weight of British bureaucratic obstruction, secretiveness and conservatism had ensured that all that happened was that two men were released on parole: no retrials, no pardons, let alone compensation. Hence the cheering at finding journalists such as reporter Martin Young and producer Peter Hill refusing to take No for an answer and going on asking embarrassing questions. It is to be hoped that they keep on and on until they do get answers.

THURSDAY

Proving that the inspiring nature of *Rough Justice* was not after all such a flash in the pan BBC-2 screens one of the most heartening and wonderful programmes for many months: *A Passion To Protect*. It is Roy Deverell's account of the work of John Aspinall, owner of Howletts Zoo and a man whose cavortings on this programme with tigers, gorillas and elephants make David Attenborough's famous horizontal encounter with an ape seem positively tame—even though it is presumably Aspinall's animals which are really tame and Attenborough's which were wild. The understanding between Aspinall and his animals is unmistakable. There are two particularly telling lines in the programme. Aspinall says "The earth would take 100m years to recover from the human experience" and a commentator says "All the other zoos are built for people. Howletts was built by an animal lover for the animals."

FRIDAY

Coming home for the National Theatre on a slight high after watching Ron Daniels' *Tempest* I work off the adrenalin by watching a Channel 4 tape recorded on the previous Monday. Television's central role in wearing away the very meaning of the word "sport" by insisting on spurious excitement is made vividly clear by a coach's instructions to his team in *Basketball*: "If you have to foul, foul!" The Rugby ethics of Tom Brown's Schooldays may be questionable but they are surely infinitely superior to this sort of odious "professionalism."

The Arabs which follows is proving to be a subtly unfamiliar sort of documentary series. It is not quite like a programme commissioned by an oil company or a government tourist office to promote its own ends, but nor does it have the feeling of dispassionate inquiry familiar from previous British series on this sort of subject. Presumably with C4's policy of commissioning programmes from outside companies the vague aura of special pleading contained here will become more common. Nothing wrong with that; it might be more honest in the long run. But it does take some getting used to.

SATURDAY

The BARB ratings arrive and show that for the 11th week running British viewers have watched more television this year than last. For some reason this consistent increase (and the accompanying figures for advertising income in ITV which are at an all-time high) has caused no comment whatsoever in the tabloid Press. Interesting, this, when you recall the bellowing headlines during the summer declaiming that viewing figures were marginally down on the previous year. Today's figures show that the average viewer watched 21 hours and 8 minutes in the week ending October 16: more than three hours a day. In the same week last year it was 20 hours 34 minutes. Moreover, the move away from the long-standing 50:50 ratings split between BBC 1 and BBC 2 on the one hand and ITV on the other, and towards a 60:40 split in favour of ITV — a move widely predicted prior to the launch of Channel 4 — now appears to be happening. With Channel 4 regularly attracting 4½ per cent to 5 per cent, commercial television has taken a majority share for 14 out of the past 15 weeks. Three times recently they have achieved 58 per cent leaving only 42 per cent for the BBC. Furthermore there is not a single BBC programme in the latest monthly Top 50. This could change as the autumn proceeds but it begins to look as though we may have passed a milestone in British television history. As more and more services start, viewers may watch as much or more than ever, but thanks to increasing fragmentation the days of massive regular ratings may be at an end, as too may be the days when the BBC could confidently look to a 50 per cent share to justify its claim to the licence fee.

SUNDAY

G. F. Newman's brave but bleak drama series on Channel 4 *The Nation's Health* is still being accused of exaggerating the ills of the National Health Service and of offering an "unbalanced" view. The complaint is made repeatedly in today's *Did You See?* on BBC 2. Have the complainers never watched *Hamlet* or *King Lear*? Do those dramas seem balanced and unexaggerated? No doubt Newman is ill-advised in PR terms: most viewers will choose disbelief as protection from his grim vision. But surely it should be plain to the less fearful that Newman's offering can scarcely begin to right the balance after four decades of wholly unbalanced adulation of medics and their conventional medicine in scores of series from *Emergency Ward 10* to *Your Life In Their Hands*.

MONDAY

The first edition of BBC 1's new early evening current affairs programme *Sixty Minutes* is neither a triumph nor a disaster. Most noticeable are niggling details: the further encroachment of JOS (Junk On Screen) obliging the presenter to crouch in the corner of the picture lobbing words over and around a barricade of print, logos, and design motifs. The bittiness of Beverly Anderson's "Entertainment Preview" and the doubts about her qualifications for naming "the funniest film of the week": are we supposed to believe she has been to see all the previews? And an extreme case of HOS (Hand-Over Syndrome) with Desmond Wilcox finishing his own item and "handing over" to Nick Ross who, having nothing to say, ad libs a line about the pronunciation of "zebra" and "hands over" to Moira Stuart who recaps the news headlines. Finally Desmond Wilcox says "And from I goodnight." Actually he says "From Beverly Anderson, Sally Magnusson, Nick Ross and I goodnight," a solecism which is now as common on television as the use of "less" when what is meant is "fewer." Over and over again during his presentation of BBC 2's *Photo Assignment* Dave Lee Travis told us "There were less professional prints because there were less professional entries." Some of us ended up hurling our notebooks at the screen screaming "Less professional than what?"

Scene from "Collapse," the final part of "The Nation's Health"

TUESDAY

A new copy of Primetime arrives, the magazine that does for television what the FT does for the stock market: lists everything in sight and comments on even the most esoteric detail (*especially* the most esoteric) with an enthusiasm which would be tiring were it not so endearing. This is a double issue, Nos 6 and 7 of Volume 1: it is a very young magazine. It is the only thing of its kind in this country, concerned as much with tracking down the director of every episode of *Bilko*, listed in this issue, as in commenting on ITV's failure to produce good family entertainment for the early evening. The lists, however, are its unique selling point: in addition to the *Bilko* shows this special comedy issue lists Norman Wisdom's programmes back to 1947, every episode of *Minder*, and all the comedy series on BBC-2 between its opening in 1964 and 1981. As raw source material it is invaluable. A year's subscription, four issues, costs £5 from WTVA, 275 Pentonville Road, London, N.1. It is run on a shoestring and merits support.

La vedova scaltra & Linda di Chamounix/Wexford Festival

Ronald Crichton

The Wexford skies cleared after the drenching opening night. The operatic skies brightened with them for enjoyable presentations of the remaining festival operas, Wolf-Ferrari's *La vedova scaltra* and Donizetti's *Linda di Chamounix*. A Wexford first night is a less ambitious undertaking than a London one, yet they manage small resources with remarkable effectiveness. It is hard to think of any operatic centre where three new productions on successive nights would go so smoothly. *La vedova* and *Linda* incidentally both proved, as *Hans Heiling* had not done, that torrents of sound are no more inevitable in the Theatre Royal than torrents of rain outside.

Yan Pascal Tortelier and the RTE Symphony orchestra easily fined down the tone for the distinctive and delicate mix of rococo, Verdi's *Falstaff*, Puccini and Strauss which Wolf-Ferrari forged for his Goldoni-Venetian operas, of which *La vedova scaltra* was the last but one. The "crafty widow" of the title, the still young, lovely and wealthy Rosaura, dangling four beaux (Italian, Spanish, French and English) at her finger-tips, was sung by Jill Gomez, equally seductive of person and voice. Apart from slightly uncertain intonation in the second act *siciliana*, Miss Gomez never put a note wrong. Why don't lyric sopranos clamour for this peach of a role?

As the widow's maid and confidante Marionette, Rosemary Ashe chose a soubrette approach, all moues oeillades and French squeaks. The ravishing passages where Wolf-Ferrari twines the two sopranos' voices, often giving Marionette the top line (like Arabella and Zdenka, but the Strauss opera came later) were not improved by headlong assault. Howard Haskin as the Italian suitor who wins Rosaura's hand also took his top notes roughly.

Arlecchino (Gordon Sandison) was limber but dainty. Daintiness was not altogether avoided in Charles Hamilton's production, but on the whole this served well. So did the plain, practical set by Tim Reed. His costumes were over-fascinated—with so little distinction between carnival masquerade and Venetian daily life the realist side of Goldoni disappeared. Geoffrey Dunn's English translation was a great help. *La vedova* deserves a place in our repertory as the work of a genuine minor master.

Linda di Chamounix is a ripe example of *semiseria* Romantic opera with brilliance, pathos, pastoral simplicity, wicked luxury and madness stirred together and steered towards a happy end—more to my taste than those moping Tudor queens. Linda is a Savoyard village girl bundled off to Paris to escape the attentions of the local marquis (rather an engaging old roué, as presented by Gianni Socci). In the big city she is reunited to Carlo, a struggling artist now revealed as rich and noble. He sets her up in improbably innocent splendour. The shame of discovery and consequent misunderstanding send Linda mad. Her village chum Pierotto leads her in a dazed condition back to Chamounix, restoring her sanity by playing tunes associated with happier days.

The Wexford Linda is Lucia Aliberti. When she appeared there four years ago in the Ricci brothers' *Crispino*, I described "a young Italian soprano of great promise — shining accuracy, plenty of feeling, just a glint of hardness." To her virtues one may now add the agility for the familiar "O luce di quest'anima," and a pleasing naturalness of phrasing. But Miss Aliberti has begun to abuse curdled middle notes of the Callas type and the glint of hardness has become a laser beam threatening discomfort to the eardrums. Is shrillness deliberately cultivated at Wexford?

Anita Terzian sang Pierotto with a directness entirely right for this least bouncy of trouser roles. Carlo was Ugo Benelli, whose good style and musicianly feeling make up for lack of brilliance. The by no means unimportant roles of Antonio (Linda's gloomy father — first sung by Varesi, who became a leading Verdi baritone) and the village Prefect were well taken by Brian Kemp and John O'Flynn. The Festival Chorus (which should have been praised for lusty singing in *Hans Heiling* two nights earlier) thundered out the prayer at the end of the first act, where Donizetti uses a tune familiar from *Maria Stuarda*, and ultimately borrowed from Gluck.

Julian Hope produced, unobtrusively varying the chorus patterns, always in danger on a small stage of becoming over-static. There seemed little gain in updating of the Paris act to a vaguely Art-Déco period. Indeed it made Linda's breakdown even more improbable. But the settings and costumes of Annena Stubbs brought a note of simple elegance and harmonious colour not evident elsewhere. Gabriele Bellini and the hard-worked RTE orchestra did full justice to the instrumental writing, with which Donizetti took exceptional care.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

October 21–27

Theatre

LONDON

The Tempest (Barbican): Derek Jacobi takes a short respite from his recent triumph as Cyrano to add last summer's Stratford Prospero to the RSC London programme. A younger magus than is usual, he gives a performance that is technically accomplished and imaginatively adventurous. An entertaining production. (628 8795).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

NEW YORK

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (757 2626).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast. (541 8394).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000).

A Raisin in the Sun (Goodman): season opener celebrates the 25th anniversary of Lorraine Hansberry's play that explores racial conflict when the black Younger family move to a white neighbourhood. Ends Oct 30. (443 3800).

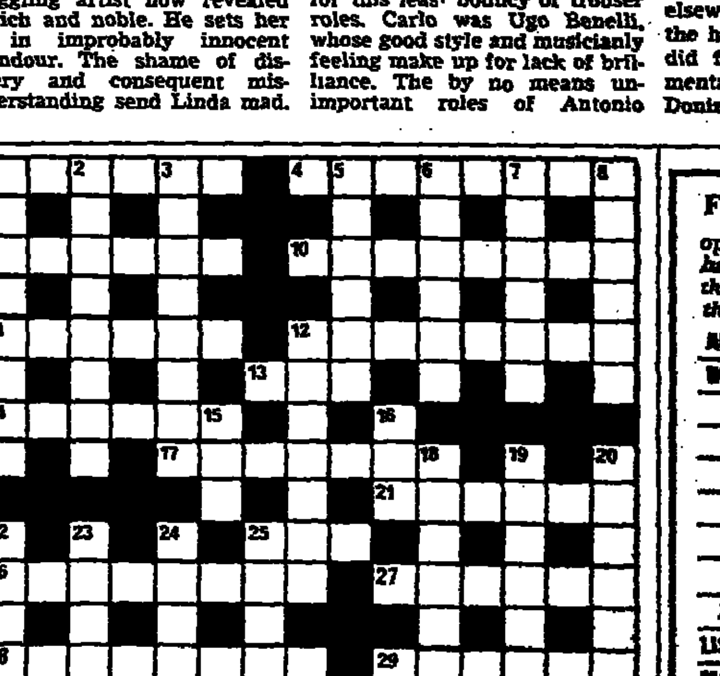
WASHINGTON

The Golden Age (Eisenhower): A. R. Gurney has built a swift reputation on a career of taking a gentle but not uncritical look at the White Anglo-Saxon Protestants who set the tone of American gentility without always subscribing to its precepts themselves. (254 3670).

The Importance of Being Earnest (Arena Stage): with Richard Bauer as Lady Bracknell, Tom Hewitt as Jack Worthing and Marilyn Caskey as Gwendolyn, the Arena Stage gets an exuberant start to a season that will include two contemporary British plays, Simon Gray's Quartermaine's Terms and Caryl Churchill's Cloud 9, as well as Christopher Durang's Beyond Therapy and Chekhov's Three Sisters. Ends Nov 13. 6th & Maine SW (488 3300).

Noises Off (Eisenhower): Dorothy Loudon stars in Michael Frayn's comedy about the provincial run of a slapstick farce with lots of antics for a company that includes Brian Murray, Paxton Whitehead and Victor Garber. Ends Nov 27. (254 3670).

F.T. CROSSWORD PUZZLE No. 5,252



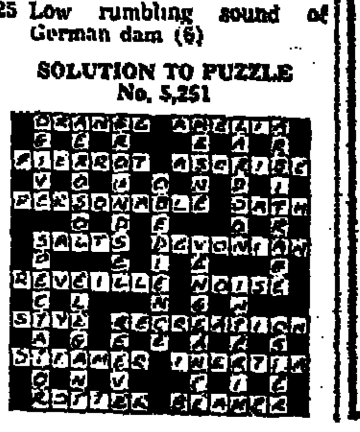
ACROSS

1 Scheherazade, for instance, has to wager about everything (6)
4 Four jabs made it a marvellous sort of day for Carroll (8)
9 Fanciful tale about marines band on sleeve (6)
10 Forebear partly enhances Tory reputation (8)
11 Caveman first noted in 1830? (6)
12 Butter-tin for the swagman? (5-3)
13 Loud commercial craze (3)
14 Draft of revolutionary deed (6)
17 Learned to tie rude knot (7)
21 Short hypothetical layer displayed by Kennelly-Heaviside (6)
25 Setback for Dutch uncle, low (3)
26 Curtailed table-waters from Vichy—Dramatic scenes! (8)
27 Rubbing noses is OK with me, in a way (6)
28 Cupids painted at Rome, it turns out (8)
29 Describing old letters that excited Magic Circle? (6)
30 MP's in motion? (8)
31 Plastered and pebble-dashed (6)

DOWN

1 Windscale scientist? (8)
2 Pop article in French newspaper (8)
3 English leg-glance gets Gloucestershire's openers out—Grace still in? (8)
5 Organised detectives rank (6)
6 Mall—a sort of drive (6)
7 Scotch governors? (6)
8 Betting-odds at bookies' enclosure give one a start (6)
12 Bed and breakfast with neat compartment for hats (4-3)
15 Sit as judge in Oswestry (3)
16 Letter lost in the muddle (3)
18 Seeing faculty boat-crew taking acquiescent sort of man on board (8)
19 Hepplewhite presiding? (8)
20 Policemen, in limit of endurability, ensured obedience to the law (8)
22 Ply in London street (6)
23 Take in "Sailor's World"? (6)
24 Deprived of cap round head of Frenchman (6)
25 Low rumbling sound of German dam (6)

SOLUTION TO PUZZLE No. 5,251



SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Wednesday October 26 1983

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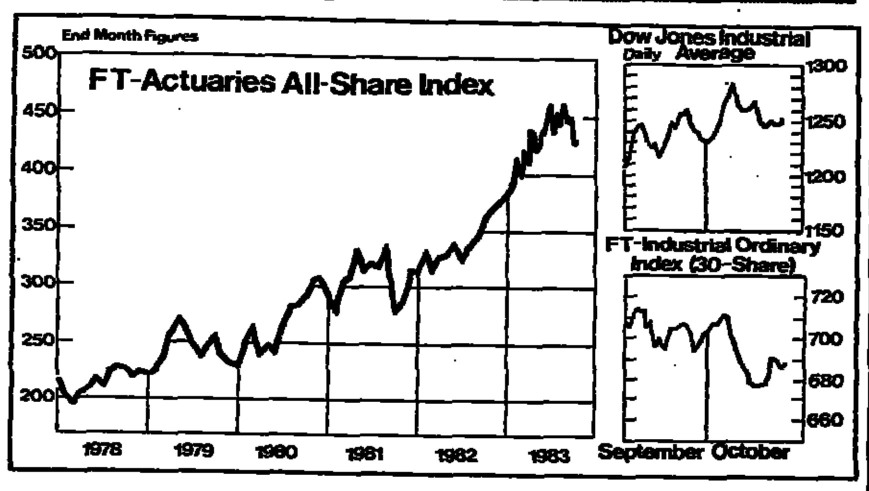
Argentina fails to meet loan terms, Page 36

KEY MARKET MONITORS



STOCK MARKET INDICES

	Oct 25	Previous	Year ago
NEW YORK			
DJ Industrials	1252.44	1248.98	995.13
DJ Transport	590.57	593.29	421.84
DJ Utilities	139.60	139.07	119.56
S&P Composite	166.47	165.99	133.32
LONDON			
FT Ind Ord	689.0	685.3	604.0
FT-A All-share	430.95	428.87	372.77
FT-A 500	467.09	464.53	411.64
FT-A Ind	421.46	418.96	380.35
FT Gold mines	527.1	520.8	390.9
FT Govt secs	81.60	81.43	83.41
TOKYO			
Nikkei-Dow	9232.77	9260.16	7304.92
Tokyo SE	676.07	675.97	545.84
AUSTRALIA			
All Ord.	677.0	682.7	508.8
Metals & Mins.	503.0	507.8	405.4
AUSTRIA			
Credit Aktien	54.35	54.39	47.65
BELGIUM			
Belgian SE	124.52	124.77	98.65
CANADA			
Toronto Composite	2416.1	2422.3	1758.3
Montreal Industrials	429.90	430.49	318.75
Combined	410.87	411.44	302.46
DENMARK			
Copenhagen SE	191.57	191.57	91.81
FRANCE			
CAC Gen	140.6	139.9	99.8
Ind. Tendance	148.7	147.7	117.9
WEST GERMANY			
FAZ-Aktien	343.06	337.27	232.51
Commerzbank	1017.5	999.5	703.6
HONG KONG			
Hang Seng	772.92	767.79	832.68
ITALY			
Banca Comm.	184.61	183.79	168.06
NETHERLANDS			
ANP-CBS Gen	140.5	139.9	96.0
ANP-CBS Ind	114.6	114.3	74.1
NORWAY			
Oslo SE	208.2	209.03	105.4
SINGAPORE			
Straits Times	948.82	954.64	726.57
SOUTH AFRICA			
Golds	740.7	733.3	729.5
Industrials	904.0	905.0	695.3
SPAIN			
Madrid SE	121.89	121.62	100.55
SWEDEN			
J & P	1402.64	1387.98	752.82
SWITZERLAND			
Swiss Bank Ind	342.0	341.2	265.3
WORLD	Oct 24	Prev	Yr ago
Capital Int'l	179.2	180.0	147.1

GOLD (per ounce)

	Oct 25	Prev
London	$398.625	$396.125
Frankfurt	$398.25	$395.00
Zürich	$398.50	$394.50
Paris (fixing)	$398.21	$394.14
Luxembourg (fixing)	$397.40	$396.50
New York (Oct)	$397.50	$398.30

* indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Oct 25	Previous	Oct 25	Previous
$	–	–	1.499	1.4995
DM	2.6075	2.6065	3.91	3.91
Yen	232.5	233.25	348.75	350.0
FFr	7.955	7.955	11.9225	11.925
SwFr	2.116	2.1175	3.175	3.1775
Guilder	2.9275	2.9295	4.39	4.395
Lira	1584.75	1586.25	2375.0	2378.5
BFr	53.16	53.25	79.7	79.85
C$	1.23225	1.23225	1.847	1.843

INTEREST RATES

	Oct 25	Prev
Euro-currencies (three month offered rate)		
£	9⅝	9⅝
SwFr	4 7/16	4 7/16
DM	5⅞	5⅞
FFr	13¾	13¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅞	9⅞
6-month U.S.$	9⅞	9⅞
U.S. Fed Funds	9⅛	9⅝
U.S. 3-month CDs	9.30	9.25
U.S. 3-month T-bills	8.65	8.66

U.S BONDS

	Oct 25		Prev	
Treasury	Price	Yield	Price	Yield
10½ 1985	99 25/32	10.58	99 23/32	10.64
11½ 1990	99 27/32	11.55	99 29/32	11.54
11⅞ 1993	101 9/32	11.65	101 11/32	11.63
12 2013	102 9/32	11.72	102 15/32	11.69
Corporate	Oct 25		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	94.23*	11.65*	94	11.70
3⅞ July 1990	68¾*	10.50*	68¾	10.50
8⅜ May 2000	75½*	12.05*	76	12.15
Xerox				
10⅞ March 1993	92.63*	11.95*	92⅞	12.00
Diamond Shamrock				
10⅞ May 1993	91*	12.25*	91	12.20
Federated Dept Stores				
10⅞ May 2013	87.132*	12.25*	86⅞	12.30
Abbot Lab				
11.80 Feb 2013	96.396*	12.25*	96.396	12.25
Alcoa				
12¼ Dec 2012	96.16*	12.75*	96.16	12.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	70–29	71–06	70–18	71–03
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.11	91.12	91.04	91.07
Certificates of Deposit (IMM) $1m points of 100%				
December	90.42	90.44	90.35	90.40
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.26	90.28	90.24	90.27
20-year Notional Gilt £50,000 32nds of 100%				
December	107–08	107–09	106–26	106–28

COMMODITIES

(London)	Oct. 25	Prev
Silver (spot fixing)	639.10p	642.20p
Copper (cash)	£949.50	£957.50
Coffee (Nov)	£1896.50	£1932.00
Oil (spot Arabian light)	$28.65	$28.65

WALL STREET

Exxon helps sustain optimism

Wall Street attempted to move higher yesterday but proved unable to shake off the uncertainties surrounding the latest events in Beirut and Grenada. Stocks advanced at midsession but with the bond market again weak, the final hour of trading saw stock prices slipping back from their first level. There were sharp falls in rail and airline issues.

Good results from Exxon, the world's largest oil company, at first sustained the optimism which had greeted trading reports from General Motors and Merrill Lynch.

The Dow Jones Industrial average ended the session a net 3.46 higher at 1,252.44, having touched 1,258.64 earlier. Turnover was disappointing with only 82.7m shares traded, stocks with gains totalled 874 compared with 693 with losses.

But prices also benefited from short covering operations by the sellers of the past two sessions.

Market indices were helped by a good performance from several leading stocks. IBM at $128½ put on $¼ in heavy trading after widespread comment in the investment press helped the stock back to market favour. Sears, the store and financial services group, added $⅝ to $40¼ in continued response to results, and Merrill Lynch at $31⅛ added a further $½ reflecting the market's relief that third-quarter outcome was no worse than reported.

The rise in the market index seemed to outstrip the confidence on the trading floor, however. Turnover was slow to catch fire after a promising start, and dealers noted that trading in stock market index futures showed a volatile trend.

The bond market had another weak session. The day opened with a news of a rise in the consumer prices index – a discouraging indication of inflation trends – and prices sagged afresh at midsession when Mr Donald Regan, the Treasury Secretary, warned the market to expect about $16bn in new funding today.

Exxon closed $⅛ down to $39¼ and Standard Oil of California remained unchanged at $36½ following their profits figure. Standard Ohio put on $⅜ to $53⅛ while awaiting results.

Motor issues remained firm behind GM, $¾ up at $79 on Monday's results. Ford, with results due shortly, added $1⅛ to $69⅛ while American Motors at $8⅜ were $⅜ up on the quarterly statement.

Trading results from across the full range of U.S. industry found a response in most sectors of the industrial stocks.

Borg-Warner added $¼ to $48 on the board forecast of a record year, and Wheeling Pittsburgh held steady at $23½ after reporting the latest loss figures.

Trading results also brought gains in Loral, the defence electronics group, $¾ up at $27½. IU International, $¼ up at $26, White Consolidated, $¾ up at $43¼, Consolidated Edison, $½ up at $25¼, and American Savings and Loan, $⅜ up at $14⅛.

But Melville weakened by $½ to $36¾ and Mattel, the toy and electronic games manufacturer, fell $1½ to $5⅜ after confirming reports of planned disposals.

Shares in Warner Lambert, the medical care group, were active but held unchanged at $29½ after news of higher earnings. Diamond Shamrock at $24⅛ were also unaffected by results.

Other features included Western Union, $3½ up at $33⅞ despite a denial from Signal of bid intentions. Hyster added $5 to $65 on news of a rival buyout offer. High on the list of active stocks was new issue, Circus Enterprises, the Las Vegas casino operator, at $16¼.

The long end of the bond market fell away again although prices steadied at mid-session when the Commerce Department disclosed a 0.5 per cent fall in orders for durable goods – seen as a welcome sign of a slackening in the tempo of the industrial upturn.

The key long bond picked up from 101²⁹⁄₃₂ to 102⁹⁄₃₂, yielding 11.74 per cent against 11.72 per cent overnight.

Once again the short end held fairly steady. The three-month Treasury Bill was little changed at a discount of 8.65 per cent, while the six-month bill at 8.88 per cent was a shade lower on the day.

The market made little response to a further $2.5bn in customer repurchases from the Federal Reserve although the Federal Funds rate slackened to 9¼ per cent.

EUROPE

Frankfurt ignores tensions

A FURTHER round of strong advances was recorded in Frankfurt as investors ignored political tensions abroad and instead concentrated on the outlook for improved corporate profits at home.

The Commerzbank index of 60 leading shares jumped 18 to 1,017.5 – another 23-year peak and within sight of the record 1,031.9 set in September 1960.

The FAZ index of 100 shares set a fifth successive record, adding 5.79 to 343.06.

The day's buying was broadly spread, although profit-taking was also seen, particularly in Daimler-Benz after its DM 40 surge on Monday. It closed down DM 9.80 at DM 692.20, but BMW picked up another DM 5.30 to DM 417.30 and VW added DM 2.70 to DM 227.

There was strong foreign demand for Siemens, which recorded a DM 14.80 rise to DM 392.30 – a rise of more than DM 40 so far this month.

The insurance group, Allianz, in particular demand since last week's takeover bid for the British insurers, Eagle Star, posted a DM 18 gain to DM 760. Eagle Star formally rejected the bid yesterday.

Banks recovered from Monday's weakness with Deutsche Bank adding DM 4 to DM 317.50, Commerzbank DM 1.50 to DM 177 and Dresdner DM 1.20 to DM 179. Bayer-Hypo which fell DM 3 on Monday after announcing a rights issue, picked up DM 4 to close at DM 292.

Domestic bonds picked up a steady tone from the pre-bourse market, although uncertainties over U.S. interest rates meant that many investors held back from the market and turnover was low.

French investors took heart from Wall Street's overnight performance and prices ended firm in Paris although, as expected, volume slowed as the bourse continued to adapt to its new quotation system.

The advance was led by foods, oils and electricals. Bongrain added FFr 48 to FFr 1,598, Esso FFr 11.50 to FFr 347.50, CFP FFr 2.70 to FFr 153.20, Thomson-CSF FFr 4.20 to FFr 173 and Radiotechnique FFr 10 to FFr 394.

Prices ended firmer on the day in **Amsterdam** although some early advances were pared on concern over interest rate developments.

The Swedish Government's announcement of changes in capital gains tax rules and plans for a share turnover tax made for fluctuations in **Stockholm**.

After a stronger opening, many leading shares tailed off towards the close on uncertainty about today's further economic package from the Government.

Milan ended the official session slightly higher, although prices continued their rise in after bourse trading. Industrials and some major insurance issues gained strongly, recouping much of the ground they lost on Monday. A similar, slightly higher trend emerged in **Madrid** though trading was quiet.

In **Zurich**, prices closed narrowly mixed in subdued trading. Bank shares were the only issues to remain mostly steady against the downtrend, although even they were only lightly traded.

Another mixed picture emerged in **Brussels** with holding companies, chemicals and non-ferrous metals all losing ground.

In **Copenhagen**, shares rose sharply as investor fears of an early election receded, following the minority Government's agreement with other parties on an economic austerity package.

HONG KONG

SOME DOMESTIC bargain hunting allowed shares to close steady in Hong Kong after an easier opening. The Hang Seng index ended 5.13 ahead on the day at 772.92, after a 9.06 decline at mid-morning.

The market now expects shares to stabilise within the index range of 760 to 790 until the next round of Sino-British talks on the colony's future, which are scheduled for November 14.

SINGAPORE

UNCERTAINTY OVER the market's outlook kept Singapore investors on the sidelines and shares ended slightly lower. The Straits Times Industrial index closed 5.82 lower at 948.82.

All secotors were lower. Development Bank fell 30 cents to S$9.05 while Fraser and Neave, Keck Seng and Oversea Chinese Bank lost 10 cents each to S$6.05, S$5.90 and S$10.70 respectibely.

AUSTRALIA

THE ABSENCE of any momentum in base metals prices left shares easier in Sydney. At the close, the All Ordinaries index was down 5.6 at 677.

Among gold issues, GMK dipped 10 cents to A$9.20, Poseidon was steady at A$4.40 and Emperor advanced 5 cents to A$2.75.

Western Mining slipped 3 cents to A$3.50 amid continuing concern over the Federal Government's uranium policy. Other uranium issues also declined with Peko down 26 cents to A$6.50 and ERA 5 cents easier at A$1.63.

CANADA

GOLD shares led a strong mid-session advance in Toronto yesterday with metals and minings adding further support. The oil and gas sector was weaker, with Dome Canada C$¼ off at C$5⅞ and Canada Northwest Energy C$½ lower at C$26, after failing to find commercial quantities of oil at its Bay of Biscay well, which it has now abandoned.

Industrials and utilities performed well in Montreal although banks and papers were weaker.

SOUTH AFRICA

POLITICAL developments in the Caribbean and the Middle East failed to brighten gold mine issues in Johannesburg yesterday and most closed below their day's highs.

Free State Geduld added R2 to R44, while Randfontein Estates was unchanged at R128. Platinum stocks edged higher, with Rustenburg 10 cents up at R11.40.

TOKYO

Cancer link report spurs downturn

SHARES OPENED higher in Tokyo yesterday with blue chips in the lead, but heavy selling of food-related issues in the afternoon pulled the market down, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow Jones market average, which advanced 22.36 points during the morning, closed lower on balance for the third successive session, slipping 27.39 to 9,232.77. Volume recovered slightly from Monday's record low of 139.06m shares to 192.49m.

The firm opening came after a stronger overnight performance on Wall Street, in the face of a bulge in the U.S. money supply and growing tension in the Middle East. But market sentiment was depressed in the afternoon by the Japanese Cancer Association's announcement that glutamic acid had been found to be carcinogenic.

Ajinomoto, which produces food seasoning with glutamic acid as the main ingredient, moved the maximum Y100 down to Y860. Among other casualties were Asahi Chemical, Y27 down at Y345, Kyowa Hakko Y30 off at Y755 and Takeda Chemical down Y12 to Y757.

Paced by blue-chip issues, share prices moved higher in early trading across a broad front, but eased in the afternoon. Fuji Photo Film again rose above the Y2,000 level to Y2,010 up Y50 from Monday's close. Electricals closed firmer almost across the board.

Motor issues generally benefited from higher output of four-wheeled cars, with Toyota Motor adding Y10 to Y1,240, Nissan Motor Y5 to Y705 and Honda Motor Y10 to Y1,010.

Elsewhere, oils attracted buyers on speculation, that the planned refining tie-up between Maruzen Oil and Daikyo Oil might bring greater stability to oil prices. During the afternoon, however, these issues came under heavy selling pressure. Nippon Oil closed Y30 off at Y1,140, while trading in stocks of Maruzen Oil and Daikyo Oil was suspended throughout the day.

Bond prices initially eased as investors again stepped to the sidelines. But as the yen firmed against the dollar, bond prices edged higher in the afternoon.

The yield of the bellwether 7.5 per cent long-term government bond maturing in January 1993 consequently fell from Monday's 7.77 per cent to 7.745 per cent. The firming was underpinned by heavy purchases by some securities firms.

In the absence of any positive motivations, bond prices seem likely to remain at a standstill, with market yields hovering at around present levels.

LONDON

Equities consolidate

LEADING equities and gilt-edged securities moved higher in London as investors shrugged off worries about more expensive U.S. credit. The FT Industrial Ordinary index gained 3.7 to 689.

Stores attracted institutional interest on the hope of buoyant Christmas spending, although Latin American debt uncertainties proved a source of worry. *Details, Page 29; Share Information Service, Pages, 30–31.*

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
17¾	7⅞	AAR	.44	3.1	18	6	14½	14⅛	14⅛	-½
52⅞	29½	ACF	1.40	2.6	63	251	43¼	43½	43½	-¼
20	14¼	AMF	.50	2.9		434	17¼	17⅛	17½	
38¾	16½	AMRCp			14	2714	22⅞	21⅞	22	-½
19	15	AMR	pf2.18	12.		23	18⅞	18⅝	18⅝	
38⅞	24¾	AMR	pf2.13	5.9		63	36	35½	35¾	+½
15⅞	2⅞	APL			27	83	13½	12⅞	13½	-¼
65	31¾	APA	2.25	4.3	12	356	48	47½	48	-1
79⅞	49	ASA	3a	5.2		607	55½	55½	55½	-¼
33¾	11⅛	AVX	s .32	1.3	36	459	24½	24	24	-¼
53⅞	34¾	AbtLab	1	1.9	15	1950	53⅞	51	51½	-¾
30⅞	23⅞	AccoW	n .52	2.3	18	122	24⅞	24½	24¼	-¼
27½	18¾	AcmeC	.40	1.8		17	22½	22½	22½	-¼
14⅞	7⅞	AcmeE	.32b	2.8	381	117	11½	11	11⅞	-½
24⅞	6	AdaDg	.04	.2	16	17	21⅞	20⅞	20⅞	-⅛
17⅞	14⅞	AdaEx	1.73e	9.8		87	17⅞	17½	17⅞	+⅛
19¾	7⅞	AdmMl	.24	1.7	7	46	14½	14	14	
16⅞	8⅞	Adrest	s .12	1.0	7	139	12⅞	11¾	12⅛	
34⅞	10⅞	AMD	s		58	2026	32½	31⅞	31½	+¼
24⅞	12⅞	Aeflx	s		15	177	15⅞	15⅛	15⅞	
44⅞	32⅞	AetnLf	2.64	7.4	7	1013	35⅞	35⅞	35¾	-⅛
65	55½	AetL	pf5.18e	9.3		57	55½	55½	55½	-¼
40½	17½	Ahmns	.80	2.1	16	978	29⅞	29	29	-⅛
7⅞	2⅞	Aileen				87	4½	4⅛	4¼	
51	31	AirPrd	1	2.3	12	584	44½	43⅞	44⅛	
27⅛	13⅞	AirbFrt	.60	2.5	24	72	24⅛	23⅞	24⅛	+½
2½	1½	AlMoa	s		18	64	2	1⅞	2	
[illegible]										

Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22½	8⅞	AAV	.32	1.9	13	18	17	16⅞	17	-⅛
4¼	3⅛	AICPh				10	3⅛	3⅛	3⅛	
6⅝	2¼	ATI				48	2⅜	2¼	2¼	
12¾	2⅛	AcmePr			9	11	6⅛	5⅞	6⅛	+⅛
19½	11⅞	AcmU	s .32	2.5	14	67	13⅜	12⅝	12⅞	-½
14½	2⅛	Action	s		10	161	12⅞	11⅞	12⅜	+¼
12	6⅛	Actons	1t	15.	32	75	6⅝	6½	6½	
6½	1½	Acm	wt			8	2⅜	2¼	2⅜	-⅛
8	1⅛	AdmRs				5	4⅛	3⅞	4	
30⅝	17¼	AdRusl	s 10	4	15	60	22⅝	22⅛	22⅝	
28⅝	14⅞	Adobe	.24	1.1	14	37	21⅛	20½	21	+⅛
5⅝	2	AegisCp			14	38	4⅛	4	4	-⅛
7	4	Aeronca			7	23	4¼	4⅛	4¼	-⅛
32½	13½	AffHsp	.38	1.5	10	5	23¾	23½	23¾	
45	19⅞	AlPb	s .64	1.5	18	178	42½	42½	42½	-1
17½	4⅜	AirSix			9	60	11½	11½	11½	
15½	5⅞	AirExp				22	6¼	6⅛	6¼	+⅛
6⅛	4⅜	Alamc	n		11	15	5¼	5⅛	5⅛	-⅛
23⅛	4¼	AlbaW	.15e	1.3	8	62	12⅜	12	12	-⅜
12¼	7⅞	AlmySt		1.9		5	10⅛	10⅛	10⅛	-⅛
10½	5½	AlohaA				6	6	5⅞	6	
28⅞	15¼	Alphal	s .05	.3	27	42	19⅛	18⅝	19⅛	+⅛
1⅞	⅛	Alsac	v			802	⅝	½	⅝	+⅛
2⅞	1⅛	Altex				85	2⅛	1⅞	2	
11-16	1-16	Altex	wt			22	⅛	⅛	⅛	-1-16
37	28½	Alcoa	pf3.75	11.		z100	33¼	32⅞	33¼	+¼
32½	11⅛	AlzaCp				234	18¼	17⅞	17⅞	-⅞
29⅝	13¾	Amdhl	s .20	1.1	28	x364	18¼	17⅞	18	+⅛

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 26

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
36¾	18⅞	Warnc	s .70	2.4	11	40	29⅝	29⅛	29¼	+⅛
58⅝	19⅞	WmCm	1	4.4		1772	22⅝	22⅜	22½	
35	25¼	WarnrL	1.48	5.0	13	1961	29⅞	29⅛	29½	
30½	24¼	WashGs	2.88	9.4	7	128	u30⅞	30⅛	30¼	+½
37⅞	18⅞	WshNat	1.08	4.1	11	104	27⅛	26⅜	26⅝	+⅛
22⅞	18½	WshWt	2.48	12	7	160	21	20⅝	20⅝	-⅛
61⅞	39½	Wasts	.68	1.5	17	1019	44⅛	42¼	42¼	-⅞
82	39	Watkn	.68	.9	16	253	78⅛	77½	78¼	+1½

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

NEW YORK CLOSING PRICES

Continued from Page 27

FRANCE

NORWAY

HONG KONG

SPAIN

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

JAPAN

SWITZERLAND

SOUTH AFRICA

BELGIUM/LUXEMBOURG

ITALY

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL	Oct 25	Oct 24	Oct 21	Oct 20	1983 High	1983 Low
Industrials	429.9	438.49	439.71	431.97	483.08(5/5)	329.12(4/1)
Combined	419.87	411.44	412.29	415.55	441.29(26/8)	319.45(8)
TORONTO Composite	2418.1	2422.3	2425.2	2444.2	2598.2(26/8)	1948.9(4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

(**) Saturday Oct. 22: Japan Nikkei-Dow 9,318.98 TSE 680.99.
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrial, § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

MARKET REPORT

Equity leaders and Gilts consolidate early gains

Renewed late U.S. demand for ICI

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21
Nov 14	Nov 24	Nov 25	Dec 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

The two main investment areas of London stock markets made a brighter showing yesterday but the volume of business remained at a disappointingly low level. Gilt-edged securities moved higher reflecting the Chancellor's confidence over containing Government spending, while leading equities staged a technical advance in sympathy with Wall Street's marked late recovery from early weakness on Monday.

Fears of dearer U.S. credit, inevitably revived by Friday's unexpected expansion in U.S. money growth, were shrugged aside by markets. Gilt-edged investors were influenced by the Chancellor's asurance that the Government would contain spending plans for 1984-85 to the figure laid down in the Budget. Coming so soon after last week's forecast of lower inflation next year, this attracted renewed support of all Funds.

The prospect of a 1 per cent in mortgage rates also stimulated interest with the result that closing gains among medium and longer-dated gilts ranged to ½. In a more active trade than of late, the shorts ended up to ¼ better.

After an initial mark-up, blue chips industrials drifted back as follow-through support failed to materialise. Potential investors were still reluctant to commit fresh funds of any size, being wary of the tense Middle East situation and yesterday's more serious turn of events in the Caribbean.

Latin American debt uncertainties were another worry for markets experiencing a very light business awaiting announcement of ICI's third-quarter figures tomorrow.

ICI were particularly strong late on U.S. support and settled 20 higher at 574p. Equity interest otherwise was selective and often confined to one or two sectors along with situation stocks. Stores attracted revived investment inquiries on hopes that any cut in mortgage rates would boost consumer spending over the Christmas period.

The FT Industrial Ordinary share index mirrored the day's events with a rise of 5.1 at 10 am, but this was reduced to 2.6 by 1 pm before the index picked up again to close 3.7 up on balance at 689.0.

Hogg Robinson good late

Speculation concerning the possible acquisition of Wakefield Travel Fortune sparked late support for Insurance broker Hogg Robinson, which closed 7 higher at 130p. Elsewhere in the Insurance sector, Eagle Star rose 5 to 532p following formal rejection of the Allianz offer. Phoenix edged up 6 to 338p and Sun Alliance hardened ½ to £13.

The major clearing banks staged a small technical rally. NatWest rose 10 to 587p and Lloyds improved 5 to 450p. Barclays hardened a couple of pence at 437p, as did Midland, at 390p.

Tottenham Hotspur, having traded at a discount to the offer-for-sale price of 100p since the day after dealings began on October 18, staged a partial rally and closed 4 better at 91½p.

Interest in Buildings remained at a low ebb. Housebuilders made an irregular showing with recently dull Barratt Developments hardening a couple of pence to 184p, but George Wimpey shedding 3 to 118p. Elsewhere, Burnett and Hallamshire encountered further nervous offerings and shed 35 for a two-day fall of 75 to 190p on talk of an annual profits shortfall because of the absence of property dealing profits and also changes in accounting practices. John Finlan edged up 2 to 188p awaiting interim results, while Roberts Adlard continued to attract support and put on 10 to a 1983 peak of 150p. Dealings in Streeters of Godalming were suspended at 38½p following a bid approach.

Stores more active

Subdued of late because of generally bearish analysts' views, major Retailers attracted revived support. Many staged good gains on hopes that lower mortgage rates would boost consumer spending. Marks and Spencer, due to announce first-half figures shortly, rose 5 to 202p, while similar gains were noted in Woolworth, 259p, Gussies A, 545p, and British Home, 215p. Newsagents also made progress under the lead of W. H. Smith A, 4 better at 124p; Martin added 5 at 150p, while NSS, 92p, and John Menzies, 283p, rose 4 and 6 respectively. Foster Brothers Clothing hardened 2 more to 86p awaiting today's mid-term statement, while weekend comment continued to support mail-order house Grattan, 2 up at 48p. Superdrug, dull of late following persistent selling in a restricted market, rallied 8 to 243p, and Executex Clothes went sharply better to close 7 dearer at 37p, after 40p.

Racal responded to late demand with a rise of 6 to 201p, but gains among other leading Electricals were limited to a few pence after a relatively slow trade. Unsettled by the Caribbean situation, Cable and Wireless encountered nervous selling and fell to 268p before closing 12 down on balance at 273p. Security Centres benefited further from an investment recommendation and put on 10 more to 200p. Security Tag rallied 20 to rofocus, 10 up at 560p, SCUSA, 355p and Automated Security were a few pence dearer at 145p. Buying interest revived in BSR, which closed 6 to the good at 163p, while high technology stocks in demand included Microfocus, 10 up at 560p, SCUSA, 6 dearer at 87p, and UEL, 7 better at 187p. United Scientific, in contrast, gave up 7 at 335p and Kode were 5 cheaper at 310p.

Leading Engineers were neglected, but secondary issues recorded occasional noteworthy movements. Carclo met with support and put on 9 to 86p. IMI closed 3 dearer at 56p, after 59p, following reports of a broker's lunch with the company, while McKechnie ended 3 firmer at 124p ahead of tomorrow's preliminary results.

Selective support developed for Foods. J. Sainsbury improved 6 to 408p and Kwik Save gained the same amount to 318p, while Cadbury Schweppes hardened a penny to 101p and Unigate rose 4 to 109p. Argyll firmed 3 to 133p and Amalgamated Distilled Products 4 to 175p pending completion of the merger. In the wake of the announcement that Growth Industrial Holdings of Singapore had acquired a 7 per cent stake in the company, Lennons slipped back a penny to 43p. Elsewhere, speculative counter Bio-Isolates lost 15 to 140p.

English China advance

Most leading miscellaneous industrials managed to hold small initial gains. Elsewhere, English China Clays responded to a broker's favourable circular with a rise of 9 to 196p, while J. Bibby, still reflecting the sale of its edible oil subsidiary, improved 5 more to 325p. UKO International, an old bid favourite, put on 6 to 88p. Garford-Lilley Industries improved to 58p, still on the merger talks with Williams Holdings, before easing to close unaltered on the day at 54p. Occasional buying interest was shown in cleaning shares, Sketchley rising 6 to 396p and Initial a few pence to 458p. Demand was also forthcoming for Metal Closures, which put on 5 to 117p, but Ricardo weakened 25 to 425p in a limited market. Scoteros were also noteworthy for a loss of 4 to 56p. Sunlight Service reacted 27 to 230p in the late dealing, while Brengreen closed 2 lower at 93½p which makes their share exchange offer for Sunlight worth 280½p. Other dull spots included Bellair, down 10 at 615p, and NMW Computers, a similar amount lower at 180p.

Press comment suggesting that the company could reap the benefit from its 22.8 per cent stake in Sodastream in the event of the latter obtaining a stock market listing prompted support for Anglia TV A which firmed 5 to 136p. Trident TV A closed 1½ dearer at 110½p, after 107p, following confirmation of the sale of the Playboy Club premises to an overseas group for £9m. News that the company had acquired the Raffles nightclub in Chelsea left Juliana's 5 dearer at 315p. Elsewhere in the Leisure sector, GRA put on 2 to 37½p following Press mention, while late support lifted Saga 5 to 93p.

Motors were undecided. Kwik-Fit, relatively buoyant recently, eased a couple of pence to 52p despite the sharp expansion in first-half profits. Flight Refuelling, 196p, and Dowty, 102p, both shed 3, the former ahead of next Tuesday's interim results. Among Distributors, persistent small support prompted a gain of 12 to 110p in Belfast-based Charles Hurst. Lex Service rallied 4 to 307p with the new nil-paid a penny to the good at 33p premium. British Car Auction, still on anticipation of a good preliminary statement next Tuesday, touched 201p before reverting to the overnight 199p. Kenning held at 106p: Kuwaiti interests now control 14.15 per cent of the group's equity capital.

Interest in Paper/Printings remained at a low ebb, although support was evident for lower-priced stocks. Favourable mention lifted Olives Paper Mills a couple of pence to 30p, while Wace firmed a like amount to 14p following the reduced mid-term deficit. Elsewhere, fresh buying in a thin market left A. & C. Black 10 better at 270p.

Trading statements provided the interest in an otherwise colourless Property sector. Peachey Property hardened a couple of pence to 165p following satisfactory preliminary results, while Samuel gained 5 to 121p in response to the increased annual profits and property revaluation. Business in the leaders was sparse, but quotations managed to edge a little higher. Elsewhere, North British Properties were suspended at 158p at the company's request pending details of the Sun Life bid. Fairview Estates held at 123p awaiting today's annual results.

Lister stood out in Textiles with a gain of 4½ at 35p reflecting the confident tone of the chairman's annual review.

Further consideration of the sharply increased annual profits reported by U.S. financial information service Telerate lifted parent company Exco International 15 to 520p. Other Financials trade quietly without distinction, Mercantile House rallying a few pence to 312p.

Oils quiet

Activity in the Oil market remained at a low ebb and, with the exception of BP which hardened 4 to 428p following Sohio's expansion plans, quotations were rarely altered. Among the speculative issues, Atlantic Resources gained 20 to 580p, but Sun (UK) Royalty cheapened 15 to 310p.

Golds up again

Mining markets made further headway but not without a fair amount of uncertainty. The latest news on the international front, especially the reported invasion of Grenada, took some time to affect precious metals markets. But the latter did make an eventual positive move on the news and quickly prompted a mark up of Gold share prices.

Bullion moved up to a day's high of $399 an ounce before closing a net $2.5 firmer at $398.625.

Golds were firmer at the outset, boosted by the overnight American reaction to the Beirut tragedies over the weekend. A lull in activity then ensued but markets quickly picked up on the Carribbean developments to close with good gains thanks to renewed American support and a reported bear squeeze.

The Gold Mines index showed a further 6.3 rise at 527.1 for a three-day gain of 17.1.

Top performers in the heavyweights included Vaal Reefs, a point to the good at £67, Western Holdings and St Helena, up around ¾ apiece at £31 and £24½ and Kloof, which put on a half-point at £27¾.

South African Financials failed to fully reflect the late gains in Golds, but the London issues showed gains of around 3 common to Gold Fields, 485p, and RTZ, 580p.

The Platinum sector continued to attract good support with Impala a further 20 higher at 810p and Lydenburg 10 firmer at 520p.

Another sharp setback in overnight Sydney and Melbourne markets prompted renewed widespread losses throughout Australians, although a number of leading issues edged away from the lowest in late trading owing to the slightly firmer trend in precious and base metals.

Uranium issues remained under selling pressure reflecting the ongoing fears regarding the future of uranium mining. Peko-Wallsend gave up 6 at 402p and Pancontinental 4 at 80p but Western Mining rallied from an initial 210p to close unchanged on balance at 213p. North Broken Hill mirrored the trend among base metals, rallying late to end the day 2 harder at 185p.

Elsewhere, the Bermuda-based Minorco dipped 3 more to a 1983 low of 625p, still reflecting the profits setback sustained by the 27 per cent owned Phibro Saloman commodities/banking group of the U.S.

Demand for Traded Options improved sharply, although the increased demand owed much to the impending expiry of the October series. Total contracts struck amounted to 2,912, comprising of 2,574 calls and 338 puts. British Petroleum accounted for 1,072 calls, with the October 390's and 420's attracting 615 and 290 calls respectively. ICI were again relatively buoyant and recorded 224 calls, while operators again showed interest in Lonrho positions, particularly the November 100 calls which accounted for 395 calls out of 409.

FINANCIAL TIMES STOCK INDICES

	Oct. 25	Oct. 24	Oct. 21	Oct. 20	Oct. 19	Oct. 18	year ago
Government Secs. ...	81.60	81.43	81.60	81.38	81.19	81.23	85.41
Fixed Interest ...	84.82	84.90	84.96	84.56	84.50	84.51	84.61
Industrial Ord. ...	689.0	685.3	689.8	691.0	678.4	678.2	604.0
Gold Mines ...	527.1	520.8	516.0	510.0	521.0	538.1	390.9
Ord. Div. Yield ...	4.92	4.94	4.92	4.91	4.99	4.99	4.79
Earnings, Yld.% (full)	9.75	9.81	9.77	9.75	9.90	9.89	10.61
P/E Ratio (net) (*) ...	12.80	12.75	12.78	12.81	12.65	12.66	11.34
Total bargains ...	18,015	17,402	17,083	16,886	21,166	21,704	21,839
Equity turnover £m.	—	121.40	182.33	179.88	210.09	157.35	185.34
Equity bargains ...	—	13,883	13,866	16,211	15,022	14,288	17,151
Shares traded (ml) ...	—	84.7	110.8	105.0	121.2	101.5	97.7

10 am 690.4. 11 am 688.4. Noon 688.4. 1 pm 687.9. 2 pm 688.0. 3 pm 689.0.

Basis 100 Govt. Secs. 18/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.04.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs. ...	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int. ...	84.96 (21/10)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord. ...	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	510.0 (20/10)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 24	Oct. 21
—Daily		
Gilt Edged Bargains ...	142.7	151.2
Equities Bargains ...	89.9	89.8
Value ...	245.4	368.5
5-day Avrge		
Gilt-Edged Bargains ...	146.4	153.8
Equities Bargains ...	93.6	97.1
Value ...	344.0	364.4

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (26)

BRITISH FUNDS (3)
Exchqr. 3pc 1984 — Treas. 10½pc 1989 — Treas. 3pc 1985

AMERICANS (1)
Quaker Oats

BUILDINGS (1)
Roberts Adlard

CHEMICALS (1)
Hoechst Ag.

STORES (2)
Executex Clothes — W. W. Group

ELECTRICALS (2)
Mellerware Intl. — Pressac

ENGINEERING (1)
Carclo Eng.

FOODS (2)
Glass Glover — Nabisco Brands

INDUSTRIALS (4)
Hartons — Rexmore — Neil & Spencer — Sothebys

INSURANCE (1)
Allianz Vers.

LEISURE (1)
Medminster

MOTORS (1)
Hurst (Charles)

NEWSPAPERS (4)
Black (A. & C.) — Gordon & Gotch — Bristol Eve. Post — Independent

PAPER (1)
Cropper (James)

PROPERTY (1)
Allnatt London

NEW LOWS (24)

AMERICANS (2)
Amer. Medical Intl. — Fluor Corp.

BUILDINGS (2)
AMEC — Burnett & Hallams

STORES (1)
Mellins

ELECTRICALS (1)
ICL

ENGINEERING (2)
Bailey (C. H.) — Howden Group

INDUSTRIALS (4)
Anglo Nordic — Ricardo Cons'g Eng. — Bruntons (Mussel.) — Scottros

MOTORS (1)
Dowty

PROPERTY (1)
C.A.L.A.

TRUSTS (1)
M. & G. Dual Inc.

OILS (1)
Westfort Pet.

MINES (8)
Durban Deep — Gold Fields S.A. — South African Land — Minorco — Venterspost — Hill Minerals — Loraine — Northgate Explrtn.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Boots ...	161	+ 6
Burnett & Hallam. ...	190	−35
Burton ...	328	+ 3
Cable & Wireless ...	273	−12
Eagle Star ...	532	+ 5
Executex Clothes ...	37	+ 7
IMI ...	56	+ 3
ICI ...	574	+20
Lex Service ...	307	+ 4
Marks & Spencer ...	202	+ 5
Peachey Prop. ...	165	+ 2
Samuel Props. ...	121	+ 5

ACTIVE STOCKS TUESDAY

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
Edinburgh Fund Man. New ...	18	78	—
Garford-Lilley ...	13	54	+18
Fleet Hldgs. ...	12	112	− 4
Glaxo ...	11	735	− 5
Imtec New ...	11	87½	—
BOC ...	10	229	− 8
BTR ...	10	521	− 4
Thorn EMI ...	10	590	+ 3
Bigrve (Bkhth)	9	110	− 8
Burnett Hallam.	9	225	−40
Cns. Gld. Flds.	9	493	− 2
Midland Bank ...	9	388	− 9
Oxfrd Instrmnts New ...	9	305	− 3
RTZ ...	9	577	+ 2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues Oct 25 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon Oct 24 Index No.	Fri Oct 21 Index No.	Thurs Oct 20 Index No.	Wed Oct 19 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (203) ●	428.00	+0.1	9.70	4.12	13.29	427.51	429.76	431.82	425.78	429.39
2	Building Materials (24)	420.68	—	11.14	4.91	11.30	420.75	423.24	424.59	416.78	374.37
3	Contracting, Construction (29) ●	654.09	−1.2	14.29	5.44	8.76	661.81	667.18	675.70	666.72	606.22
4	Electricals (38)	1551.29	+0.2	8.50	2.42	15.28	1547.46	1554.69	1572.22	1543.46	1749.47
5	Engineering, Contractors (10)	415.98	−0.2	14.06	6.67	9.02	416.75	418.27	418.91	414.42	475.30
6	Mechanical Engineering (59)	185.58	−0.5	13.01	6.07	9.51	186.57	187.28	185.66	184.97	195.09
8	Metals and Metal Forming (9)	154.76	+1.1	12.20	7.58	9.92	153.14	154.55	154.42	152.07	143.03
9	Motors (18)	107.83	+0.2	1.42	4.95	—	107.66	108.04	106.94	106.98	77.24
10	Other Industrial Materials (16)	517.34	+1.1	6.01	4.53	22.88	511.42	514.38	513.82	509.51	361.67
21	CONSUMER GROUP (198)	422.20	+0.9	10.86	4.64	11.27	418.34	419.97	418.94	413.49	377.54
22	Brewers and Distillers (23)	424.43	+0.6	13.20	5.38	9.46	422.00	421.46	419.88	414.23	410.81
25	Food Manufacturing (22)	339.69	+0.8	13.55	5.92	8.61	337.36	339.78	339.60	334.85	316.54
26	Food Retailing (13)	944.53	+0.5	7.74	2.71	16.64	939.67	949.46	941.09	922.59	782.84
27	Health and Household Products (9)	789.04	+0.6	6.42	3.01	18.49	784.53	788.58	789.37	780.62	617.74
29	Leisure (23)	553.46	+0.3	9.15	4.90	14.14	551.54	551.79	550.55	546.68	406.88
32	Newspapers, Publishing (15)	921.43	+0.5	9.30	5.17	12.95	917.01	923.31	924.38	913.01	556.61
33	Packaging and Paper (14)	188.94	—	10.86	5.25	11.35	188.88	191.38	190.33	185.78	147.42
34	Stores (47)	387.99	+2.2	8.36	3.93	16.16	379.49	379.28	380.58	375.46	350.31
35	Textiles (20)	203.38	+0.2	12.89	5.74	9.20	202.68	203.76	203.50	201.48	160.54
36	Tobaccos (3)	425.85	+0.5	23.45	7.48	4.77	423.86	426.40	419.47	415.52	436.35
39	Other Consumer (9)	431.90	−0.3	5.90	4.83	—	433.20	437.40	420.47	420.35	308.10
41	OTHER GROUPS (84)	375.81	+0.5	8.59	4.59	14.65	374.04	375.86	377.73	374.46	270.62
42	Chemicals (15)	549.60	+2.4	8.23	4.61	15.91	536.48	538.90	542.73	537.94	356.82
44	Office Equipment (6)	98.00	−0.3	9.94	5.24	12.68	98.33	99.58	98.66	96.78	99.31
45	Shipping and Transport (14)	718.49	−0.2	7.97	5.65	17.06	719.61	726.60	726.59	717.45	537.28
46	Miscellaneous (49)	485.31	−1.1	8.94	4.27	13.41	490.84	492.46	495.28	491.94	368.71
49	INDUSTRIAL GROUP (485) ●	421.46	+0.6	10.13	4.47	12.32	418.99	420.87	421.32	414.88	380.35
51	Oils (15)	964.94	+0.3	11.67	6.18	10.41	961.73	964.88	970.93	968.13	762.44
59	500 SHARE INDEX ●	467.09	+0.5	10.40	4.77	11.94	464.56	466.54	467.47	462.37	411.64
61	FINANCIAL GROUP (124)	320.55	+0.5	—	5.99	—	319.08	321.34	324.07	317.25	267.65
62	Banks (6)	328.64	+0.9	26.13	7.76	4.18	325.75	331.94	334.81	324.33	289.18
63	Discount Houses (8)	298.03	+0.3	—	9.38	—	297.19	297.52	295.72	295.06	314.51
65	Insurance (Life) (9)	439.92	—	—	5.11	—	440.10	443.00	454.54	444.12	329.86
66	Insurance (Composite) (10)	221.80	+0.5	—	6.92	—	220.78	220.18	226.82	218.75	176.80
67	Insurance Brokers (7)	570.12	+0.6	11.91	5.10	11.51	566.77	568.54	564.50	558.14	562.98
68	Merchant Banks (12)	185.80	−0.1	—	5.88	—	186.12	186.86	185.32	184.20	149.17
69	Property (54)	464.90	+0.4	6.25	4.05	21.36	463.13	464.58	459.22	453.87	408.40
70	Other Financial (18)	224.90	+0.7	12.38	5.99	9.72	223.42	227.18	227.86	226.97	179.62
71	Investment Trusts (108)	424.27	−0.2	—	4.20	—	425.00	427.39	425.37	423.73	334.57
81	Mining Finance (4)	274.68	+0.4	10.09	5.32	12.13	273.53	273.32	271.45	264.59	217.08
91	Overseas Traders (14)	465.38	—	7.90	8.11	19.19	465.02	468.91	472.97	463.79	363.48
99	ALL-SHARE INDEX (750) ●	430.95	+0.5	—	4.98	—	428.89	430.93	432.03	426.58	372.77

FIXED INTEREST

	PRICE INDICES	Tues Oct 25	Day's change %	Mon Oct 24	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.78	+0.16	116.59	—	9.87
2	5-15 years	130.14	+0.25	129.81	—	11.74
3	Over 15 years	139.09	+0.22	138.78	—	12.19
4	Irredeemables	148.16	+0.40	151.88	4.45	13.34
5	All Stocks	128.54	+0.22	128.31	0.05	11.27
6	Debentures and Loans	104.97	−0.16	105.14	—	9.86
7	Preference	78.19	—	78.19	—	5.97

	AVERAGE GROSS REDEMPTION YIELDS		Tues Oct 25	Mon Oct 24	Year ago (approx)
	British Government				
1	Low	5 years	9.81	9.81	8.27
2	Coupons	15 years	10.10	10.16	9.64
3		25 years	9.87	9.89	9.82
4	Medium	5 years	11.09	11.15	10.53
5	Coupons	15 years	10.89	10.92	10.58
6		25 years	10.30	10.36	10.25
7	High	5 years	11.20	11.26	10.42
8	Coupons	15 years	11.06	11.09	10.82
9		25 years	10.42	10.44	10.38
10	Irredeemables †		9.81	9.86	9.85
11	Debs & Loans	5 years	11.83	11.82	11.48
12		15 years	11.93	11.90	11.59
13		25 years	11.94	11.92	11.67
14	Preference †		12.54	12.54	12.43

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

● Corrected figures for 24/10/1983.

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+or−
25	F.P.	30/11	27	24	C. H. Industrial 10p	24½	+½
82	Nil	9/12	5pm	3pm	Cartwright (R.) 10p	3pm	...
50	F.P.	11/11	61	50	✠Coleman Milne 10p	50	...
660	Nil	11/11	70pm	70pm	✠Continental Microwave	70pm	...
440	F.P.	28/10	575	502	Exco Int'l. 10p	525	+15
83	F.P.	28/10	95	83	Garnar Booth	86	...
17	F.P.	28/10	20	18	Helene of London 10p	18	...
20	F.P.	18/11	52	41	Inter-City Inv. 20p	42½	+½
275	Nil	11/11	35pm	30pm	Lex Service	33pm	+1
120	Nil 7/11	9/12	15pm	7pm	MFI Furniture 10p	15pm	+4
50	F.P.	7/11	66	62	‡‡Marinex Pet. 10p	62½	+½
35	F.P.	25/11	46	40½	Munton Bros. 10p	41½	+1
11	F.P.	25/11	42	15	✠Parkfield Foundries 5p	41½	+1½
120	F.P.	11/11	132	122	Pritchard Servs.	130	−2
8½	Nil	2/12	8½pm	5½pm	✠Sampang (Java) 2½p	7pm	−½
210	F.P.	11/11	240	225	Utd. Newspapers	232	−1

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✠ Unlisted Securities Market.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20
Nov 21	Dec 2	Feb 23	Mar 5

For rate indications see end of Share Information Service

Increased demand for option saw calls transacted in First National Finance, SCUSA, North Kalgurli, Bolton Textile, Hadson Petroleum, Berkeley Exploration, Intervision, Pauls and Whites, Inter-City, Premier Oil, Britoil, Fleet Holdings, Swire Pacific A, Argyle Trust, Security Centres, London Scottish Finance and Hollis Bros. No puts were reported, but a double was taken out in Jefferson Smurfit.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds ...	82	1	18
Corpns. Dom. & Foreign Bonds	19	7	47
Industrials ...	235	236	919
Financial & Props. ...	81	69	369
Oils ...	20	32	62
Plantations ...	1	5	15
Mines ...	33	52	83
Others ...	54	64	51
Totals ...	525	466	1,564

More bookmakers quitting

MORE BOOKMAKERS are going out of the business than at any time in the past 10 years, Home Office figures released yesterday show.

Permits allowing people to act as bookmakers on their own fell by more than 250 to 7,300 in the year ended May 31 1983, the biggest drop since 1973.

Betting office licences also fell by nearly 550 to about 11,250. The number of permits and betting office licences on June 1 this year were 16 per cent and 24 per cent lower respectively than 10 years ago.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 101,156

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*131)						
110	21	24	26	1	2	2½
120	11	15	17½	2½	4	5
130	4	7	9½	6	8	9

Oct. 26. Total Contracts 2,912. Calls 2,574. Puts 338.
* Underlying security price.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100¹⁄₁₆	98¾	Exch. 10pc 1983	100¹⁄₁₆		10.00	9.39
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛		5.54	9.21
101¼	99½	Exch. 11¼pc 1984	100⅝	− ⅛	11.18	8.90
104⅞	100⅛	Exchequer 14pc 1984	102¹⁵⁄₁₆xd		13.65	9.36
96¼	92¼	Exch. 3pc 1984	96¼	+ ⅛	3.11	9.12
102½	100½	Treasury 12pc 1984	102⅛	− ⅛	11.75	9.46
107½	104½	Treasury 15pc 1985	105⅞	− ⅛	14.18	10.15
107	101⅛	Exch. 12pc Cnv '85	102⅝	− ⅛	11.70	9.97
92½	88⅝	Treasury 3pc 1985	92½xd	− ⅛	3.22	7.88
102½	99⅝	Treasury 11½pc 1985	101½	+ ⅛	11.28	10.18
102	95	Treas 8¼pcCnv '85	97½	+ ⅛	8.93	9.95
103⅝	100⅛	Exch. 12¼pc 1985	103⅜xd	− ⅛	11.88	10.55
102⅝	99⅛	Exch. 11¾pc '86	102⅛	− ⅛	11.50	10.56
101⅛	97¼	Treas 10pc Cnv 1986	99¾	− ⅛	10.03	10.11
88½	85⅝	Treasury 3pc 1986	88xd	+ ⅛	3.40	8.30
101⅝	97⅞	Exch. 10½pc Cv '86	100xd	+ ⅛	10.50	10.53
103½	100⅛	Treasury 12pc '86	102¼	+ ⅛	11.67	10.73
95⅝	94⅛	Treasury 8½pc '84-86‡‡	95⅛	+ ⅛	8.90	10.45
114	103¼	Treas. 12¼pc '86 Cnv	107⅞	+ ¼	11.38	8.98
109½	105½	Exch. 14pc 1986	107½xd	− ⅛	13.00	10.92
107¼	103⅝	Exch. 13¼pc 1987	105¼	− ⅛	12.57	11.04
98¾	95⅞	Tr 10¼pc Cv '87	98⅛	+ ⅛	10.41	10.79
84⅛	80¼	Exchequer 2½pc 1987	82⅞	+ ⅛	3.00	8.50
100½	95⅝	Exch. 10½pc 1987	98½	+ ⅛	10.62	10.91
93¼	88¼	Funding 6½pc '85-87‡‡	89½xd	+ ⅛	7.23	9.97
61½	59⅞	Treas. 10pc '87 (£60pd).	60⅝	− ¼	10.26	10.83
86	80¼	Treasury 3pc 1987	81⅝	+ ¼	3.67	8.90
104⅝	99⅞	Treas 12pc 1987	103⅛xd	+ ⅛	11.64	11.01
93¼	89⅞	Treasury 7¾pc '85-88‡‡	90½	+ ⅛	8.56	10.55
101½	95½	Exch 10½pc '88	98⅛	+ ¼	10.65	10.92
30⅛	29⅛	Treas 9½pcCv'88(£30pd)	29⅞	− ⅛	10.12	10.76
81½	75¼	Transport 3pc '78-88	77⅞	...	3.85	8.86

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
96¼	90¼	Treas. 9½pc '88	94⅝xd	+ ⅛	10.04	10.91
104⅝	95¾	Treasury 11½pc 1989	103½	+ ¼	11.34	11.10
102¼	94¼	Treas 10½pc 1989	102¼	+ ¼	10.77	11.09
83¼	76	Treasury 5pc '86-89	80	− ⅛	6.26	9.49
112½	103	Treasury 13pc 1990‡‡	111½	− ⅛	12.06	11.24
108¼	100⅞	Exch. 12½pc 1990	106¼	+ ¼	11.84	11.25
92	86¼	Treasury 8¼pc '87-90‡‡	92	+ ¼	9.27	10.59
106¼	97	Treasury 11¾pc 1991	105½	+ ¼	11.52	11.31
83	74⅞	Funding 5¾pc '87-91‡‡	79	+ ¼	7.31	9.86
103	95¾	Exch. 11pc 1991	99⅝xd	+ ¼	11.04	11.07
114¼	102	Treasury 12¾pc '92‡‡	111¼	+ ¼	11.82	11.23
99⅝	88¼	Treasury 10pc 1992	97⅝	+ ⅛	10.46	10.80
110¼	98½	Exch. 12¼pc '92	107⅛	+ ¼	11.66	11.31
116	106½	Exchequer 13½pc '92	112¼	+ ⅛	12.11	11.40
113¼	101¼	Treasury 12½pc '93‡‡	110⅝	− ¼	11.68	11.26
79⅞	71	Funding 6pc 1993‡‡	76⅝	+ ¼	7.90	9.85
120¼	110½	Treasury 13¾pc 1993‡‡	113⅝xd	+ ¼	12.02	11.32
125¾	112⅞	Treasury 14½pc '94‡‡	121⅞	+ ¼	12.17	11.30
117⅝	109⅝	Exchequer 13½pc 1994	112⅞xd	+ ¼	11.95	11.36
113⅞	100½	Exch. 12½pc 1994	109½	+ ¼	11.65	11.30
94⅝	86¼	Treasury 9pc '94‡‡	89⅝xd	+ ⅛	9.98	10.53
112	98	Treasury 12pc '95	107½	+ ¼	11.49	11.27
65¼	61½	Gas 3pc '90/95	63½xd	......	4.72	7.87
101¾	88¼	Exch. 10¼pc 1995	97⅝	+ ¼	10.77	10.98
116⅝	106⅛	Treasury 12¾pc '95‡‡	109⅞xd	+ ⅛	11.53	11.14
126⅛	110	Treas. 14pc '96	121	+ ¼	11.93	11.39
93¼	83¼	Treasury 9pc '92/96‡‡	90½	+ ⅛	10.06	10.53
133⅛	121¼	Treasury 15¼pc '96‡‡	125⅞xd	+ ¼	12.08	11.29
121⅛	109¼	Exchequer 13¼pc '96‡‡	113⅞xd	+ ¼	11.56	11.08
69¾	58	Redemption 3pc 1986-96	69	......	4.36	6.63
123⅝	107	Treasury 13¼pc '97‡‡	118	+ ⅛	11.57	11.11
103⅞	89½	Exchequer 10½pc 1997	99¼	+ ¼	12.16	10.87
92	80½	Treasury 8¾pc 1997‡‡	88⅝	+ ⅛	10.85	10.54
131⅝	120¼	Exch. 15pc 1997	125½xd	+ ¼	11.95	11.32
78⅛	69½	Treasury 6¾pc '95-98‡‡	74⅛xd	+ ⅛	9.09	10.19
137⅝	124¼	Treas. 15½pc '98‡‡	131⅝	+ ⅛	11.88	11.23

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
114½	101	Exch. 12pc 1998	106⅝xd	+ ⅛	11.17	10.98
98	86¼	Treasury 9½pc 1999‡‡	94⅞	+ ¼	10.30	10.53
115⅝	103¼	Exch. 12¼pc 1999	110½	+ ¼	11.19	10.96
104¼	92¼	Treasury 10½pc 1999	97¾xd	+ ¼	10.67	10.72
123	106	Treas. 13pc 2000	119½	+ ¼	11.23	10.28
128⅞	113¼	Treas. 14pc '98-01	119⅝xd	+ ¼	11.60	11.12
116⅝	99¼	Exch. 12pc '99-02	111½	+ ⅛	11.08	10.85
130	111	Treas. 13¾pc 2000-03	124½	+ ¼	11.36	10.97
113⅝	99¼	Treasury 11½pc '01-04	108½	+ ¼	10.71	10.57
50	43½	Funding 3½pc '99-04	48¼	......	7.33	9.38
122⅛	106½	Treasury 12½pc '03-05	114⅝xd	+ ¼	10.82	10.62
87½	77¼	Treasury 8pc '02-06‡‡	82¼	− ¼	9.72	9.99
117⅝	99	Treasury 11¾pc '03-07	112⅛	+ ¼	10.75	10.60
129¾	115	Treas. 13½pc '04-08	124½	+ ¼	10.94	10.66
65½	53¼	Treasury 5½pc '08-12‡‡	61¼	+ ¼	9.08	9.53
87⅛	71¾	Treasury 7¾pc '12-15‡‡	82¼	+ ¼	9.65	9.77
122⅝	106¼	Exch. 12pc '13-'17	121	+ ¼	10.30	10.22

Undated

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
42	35¼	Consols 4pc	39⅞	+ ⅛	10.27	—
37½	31¼	War Loan 3½pc‡‡	35xd	......	9.90	—
47¼	37½	Conv. 3½pc '61 Aft.	46¼	+ ⅛	7.53	—
32	28¼	Treasury 3pc '66 Aft	29¼	......	10.14	—
25¼	22¼	Consols 2½pc	24¼	......	10.16	—
25⅜	22⅜	Treasury 2½pc	24½	......	10.28	

Index-Linked

1983 High	Low	Stock	Price £	+ or −	(1)	(2)
106	98⅞	Treas. 2pc I.L. '88	103⅝	......	2.96	3.40
111¼	99⅞	Do. 2pc I.L. '96	105½	......	3.14	3.31
98	91½	Do. 2½pc Cnv '99	95¼	+ ¼	2.76	2.90
103⅞	93¼	Do. 2½pc I.L. 2001	96⅝	......	3.02	3.15
104	91¾	Do. 2½pc I.L. 2003	95⅞xd	......	2.97	3.09
107½	94¾	Do. 2pc I.L. 2006	100	......	2.91	3.01
104½	91¼	Do. 2½pc I.L. 2009	95⅝xd	......	2.90	3.00
109½	97	Do 2½pc I.L. 2011	101¼	......	2.87	2.96
100¼	88¼	Do 2½pc I.L. 2016	93⅝	− ⅛	2.81	2.89
30½	30	Do 2½pc I.L. 2020 (£30pd)	30½		2.76	2.82

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
120	102½	Australia 13½pc 2010	115¾	+ ¼	12.00	11.93
120	85	Euro Inv Bk 11pc Ln 2002	95½xd	......	11.68	11.77
107¾	103½	Finland 14½pc Ln 1986	106¾	......	13.58	11.36
104¼	90⅝	Int-Am Dev Bk 12½pc 2003	103½	+ ½	12.53	12.50
106½	102½	Int. Bank 13½pc 1986	105⅜xd	+ ⅛	12.81	10.96
108¾	104¾	Do. 14pcLn 1987	107⅞	+ ¼	12.98	11.11
101⅛	96⅛	Mlysia 12¼pc Ln '88 £30	100¾	......	12.16	12.03
97½	77¾	Mex 16½pc 2008	96½	......	17.50	17.50
109¼	104¼	N.Z. 14¼pc 1987	108	......	13.19	11.46
97¼	91⅛	Do. 11¼pc 2008	93⅞xd	+ ⅛	11.94	12.00
105½	101½	Sweden 13½pc 1986	104¼	+ ¼	12.89	11.14
111¼	95	Do. 13½pc Ln 2010	111¼	......	12.53	12.45

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101	97	Bath 11¼pc 1985	100½xd	− ¼	11.19	10.96
103	99¾	Birm'ham 12½pc 1985	102½	− ¼	12.20	10.70
105⅞	101½	Burnley 13pc 1987	104¾	− ¼	12.41	11.34
100	95½	Cardiff 11pc 1986	99½	− ¼	11.06	11.19
102½	100⅛	G.L.C. 13¼pc 1984	100¾	......	13.13	9.91
78¼	70½	Do. 6¾pc 90-92	76⅛	+ ⅛	8.97	11.43
87½	82¼	Herts 6¾pc 1985-87	87½	......	7.71	10.82
118½	107½	Leeds 13½pc 2006	114xd	......	11.91	11.79
100⅝	97	Liverpool 9¼pc '80-84	100⅝	......	9.73	9.38
30¼	27½	D. 3½pc Irred.	29½xd	......	12.11	—
102	100⅛	Lon. Corp. 13¼pc '83	100⅛	......	13.23	10.16
97¼	93¾	Do. 9¼pc '84-85	97	− ¼	9.54	10.98
97⅛	81¼	LCC 5½pc '82-84	97	......	5.67	9.70
84¼	78¾	Do. 5½pc '85-87	84¼	......	6.53	10.82
81	75	Do 6¾pc '88-90	81	......	8.53	11.23
26⅛	23¼	Do. 3pc '20 Aft.	25¼xd	......	11.59	—
103	100	Sunderland 12¼pc 1984	102⅛	......	12.00	10.14

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101½	94¼	Aust. 6pc 1981-83	101½	......	6.03	9.67
80½	74⅞	N.Z. 7¼pc 1988-92	80½xd	+ ¼	9.26	11.19
93½	88¼	Do. 7½pc '83-86	93½xd	+ ¼	8.24	11.52
181	158	S. Rhod. 2½pc Non-Ass.	180	......	—	—
86	74	Do. 3½pc 80-85 Assd.	80	......	4.38	15.60
57	44	Do. 4½pc 87-92 Assd.	54	......	8.43	14.20
395	321	Zimbabwe Ann (£100pd)	337xd	......	—	15.98

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77½	71¼	Agric. Mt. 5pc '59-89	74¼xd	......	6.87	11.64
35¾	31¼	Met. Wtr. 3pc 'B'	35¾	......	8.48	11.25

LOANS—continued

Financial

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97½	92	Inv in Ind 6¼pcDb '81-84	95xd	+ ½	6.58	11.25
106½	96¼	Do 10½pcUnLn '86	101½		10.68	11.40
104	96½	Do 11pc Uns Ln. '88	101½		11.21	11.60
104½	97½	Do 11¼pc Uns Ln '90	103		11.89	11.90
106½	91½	Do 12½pc Un Ln 1992	104½xd		12.10	11.90
78¼	74½	Do 7¼pc A Deb '89-92	78½		9.61	11.70
77½	70½	Do 7¼pcADeb '91-94	75½		9.78	11.40
87½	80½	Do. 9pc A '91-94	86½		10.70	11.20
86	72¼	Do 8¾pcLn. '92-97	85		10.78	11.30

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100½	98	N'wide 9½pc 31.10.83	100xd		—	—
100⅛	98	Do 9⅞pc 28.11.83	99⅞xd	...	9.89	10.34
100⅜	99⅛	Do 11¼pc 19.12.83	100½xd		11.24	9.92
100⅞	99	Do 11⅞pc 23.1.84	100⅛	+ ⅛	11.83	9.82
100⅞	100	Do. 11⅞pc 13.2.84	100½	+ ⅛	11.82	9.88
100⅝	99	Do. 11¼pc 19.3.84	100¼xd		11.24	9.39
100⅞	99⅞	Do 11¼pc 9.4.84	100¼xd	+ ⅛	11.17	9.46
100⅞	99½	Do 10½% 30.4.84	100½xd		10.50	9.27
100¾	99⅞	Do 10¾% 29.5.84	100½xd		10.79	9.48
100½	99½	Do. 10⅞pc 18.6.84	100⅛	+ ⅛	10.83	10.00
100½	99½	Do. 10⅝pc 9.7.84	100⅛	+ ⅛	10.55	10.40
100½	99¼	Do 10⅞pc 30.7.84	100⅛	...	10.84	10.48
100⅝	100⅛	Do 11¼pc 20.8.84	100⅝	+ ⅛	11.22	10.48
100⅛	99⅞	Do 11pc 3/9/84	100⅛	+ ⅛	10.95	10.53

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
15	8	Chinese 4½pc 1898	13	...	—	—
11	10	Do. 5pc 1912	10		—	—
11	8	Do. 5pc 1913	9		—	—
8	5½	Do. 5pc '25 Boxer	7½	+1	—	—
48	40	Greek 7pc Ass	48xd	...	3½	17.29
46	41	Do. 6pc 28 Stb Ass.	46		3	16.59
44	38	Do 4pc Mixed Ass.	44		2	14.60
34	27	Hung. '24 Ass.	31½	...	2¼	19.07
121	102½	Hydro Quebec 15pc Ln 2011	120½xd	− ½	15	13.05
76	75	Iceland 6½pc '83-88	75		6½	13.80
110	94½	Do 14½pc Ln 2016	108½	− ½	14½	13.78
88½	78¼	Ireland 9¾% '91-96	86¼xd	+ ¼	9¾	12.06
303	275	Japan 4pc '10 Ass	294xd	......	—	—
90	81½	Do. 6pc '83-88	84	...	6	10.11
161	161	Peru Ass. 2007	161	......	5.22	13.29
592	575	Turin 9pc 1991	592		9	19.78
DM95	DM88	Turin 6½pc 1984	DM95	......	6½	13.90

AMERICANS

1983 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
35⅛	22¾	Abbott Labs.II	34¼	...	$1.00	—	2.0
31¾	17⅝	Alcoa $1	29⅝	− ⅛	$1.20	—	2.7
19½	13⅝	Amax $1	16¼	+ ⅛	20c	—	0.8
18⅝	875p	Amdahl	12	......	20c	—	1.1
32½	22	Amer. Express $0.60	22⅞	+ ¼	$1.28	—	3.8
24⅝	16⅛	Amer. Medical Intl. $1	16⅛	− 1¼	48c	—	2.0
29	20⅝	Amer. Nat. Res. $1	27¼xd	− ¼	$3.16	—	7.6
46⅛	36¼	American T. & T. Co.	41¼	− ⅛	$5.40	—	8.8
20¼	14	Amfac Inc	20	+ ⅝	$1.44	—	4.8

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

FT LONDON SHARE INFORMATION SERVICE

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17½	–½	—	—	—
52	32	Allstate Expln NL	38	......	—	—	—
40	9	♥Australis Mng. NL	26½	......	—	—	—
25	11	Balmoral Resources	16	......	—	—	—
60	37	♥Black Hill Mins.	38	......	—	—	—
85	51	♥Bond Corp.	66	+1	Q10c	♦	9.8
183	116	♥Bougainville 1 Kina	142	–1	[illegible]	1.2	1.4
372	204	♥CRA 50c	324	–2	[illegible]	—	0.6

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 29

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

FT FINANCIAL SERVICES CONFERENCE

Cost and risks of the revolution in the cash and credit business

BY OUR FINANCIAL STAFF

THE COSTS and risks of the revolution in financial services were highlighted yesterday, the second day of the Financial Times conference on financial services.

Mastercard and Visa, the world's two largest credit card organisations with well over 100m cardholders between them, should try to pool their resources and avoid costly duplication of payment systems, the conference in London, was told. Otherwise, they could be undercut by new competition.

Mr Charles Russell, president of Visa USA, said banks could not afford the luxury of supporting several systems, and were more likely to retain their market dominance by going for a single global system.

Mr Russell Hogg, president of Mastercard International, proposed that the two cards form a joint venture and share ownership with member banks.

The case for resisting the trend among retailers to issue credit cards and diversify into selling financial services was given by Mr J. H. M. Samuel, the financial director of Marks and Spencer.

Apart from the introduction of a budget account, the UK stores group will continue to accept only cash or cheques, mainly because of the cost of giving credit, though it is interested in systems to charge customers' bank accounts at the point of sale.

Mr Samuel also believes retailers should pick their speciality and then do it well, rather than be tempted to over-diversify and "risk falling by the wayside."

The financial services revolution was in danger of creating a conflict, according to Mr Robert Nicholas, vice-president of Aetna Life and Casualty, the largest publicly owned insurance company in the U.S.

New products are pouring on to the market but there was a need for more simplicity, he said. Unless they were careful, institutions might end up serving the market more poorly.

Mr Thomas Lyons, executive vice-president of the J. C. Penney stores group, said the revolution was not unhealthy or unsafe, as some people alleged.

It was increasing competition and helping consumers by supplying them with better products and services, increasing the return on his investments and raising his financial sophistication.

Mr Scott Durward, chief general manager of the Leicester Building Society, denied that building societies were trying to dominate the banks' traditional deposit and financial services markets. They had to be guided by profitability, however, and be allowed to compete to serve their customers.

Mr Dundas Hamilton, senior partner of Fielding, Newson-Smith, the London stockbrokers, predicted big changes on the London Stock Exchange because of increased competition and regulatory changes. He foresaw:

- More mergers among member firms;
- Firms becoming "financial doctors" to serve their clients' investment needs;
- Greater decentralisation thanks to advances in communication technology;
- Further blurring of demarcation lines between financial institutions; and
- Greater internationalisation of the stock exchange.

Mr Doyle Arnold, senior deputy Comptroller of the Currency, the U.S. bank regulator, said his agency believed "most if not all" remaining legislated geographic and product barriers in financial services should be removed.

There would be a further concentration in the industry and an even higher rate of bank failures — though this could be healthy.

Mr Arnold said, however, that government-sponsored deposit insurance should be modified so that more of the risk of bank failures was shifted to the banks and their customers.

The regulatory system should also be changed, he said, so that financial services were regulated according to what they were, rather than according to who supplied them.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

حكمة من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man Fd	233 44			—
Managed Inv Fd	157 35	165 64		—
Property Fd	151 07	159 03		—
Fixed Interest Fd	147 18	154 89		—
Cash Fd	135.95	143 11		—
Income Fd	171 47	180 50		—
Extra Income Fd	162 37	170 71		—
Worldwide Growth Fd	231 62	243 82		—
Balanced Fd	172.42	181.50		—
Smlr Co's & Recs Fd	203.25	213.95		—
Int. Technology Fd	270 97	285 24		—
Nth Amer & Gen Fd	160.28	179 18		—
Energy Int. Fd	107 69	113 36		—
Pacific Basin Fund	132.41	139.38		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112 0	117.8		—
Property	106.2	112 9		—
Equity	112 3	118.2		—
International	128.5	135.2		—
Fixed Interest	101.6	106.9		—
Deposit	99.3	104.5		—
Managed Pen. Cap.	112.4	118.3		—
Property Pens. Cap.	106.2	111.7		—
Equity Pens. Cap	105.8	111.4		—
Intnl Pens. Cap	137 5	141.6		—
Fixed Int. Pens. Cap.	99.2	104.4		—
Deposit Pens Cap.	97.2	102.4		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Sept 29	94 5			—
Rtmt. Fed. Aug 6	255 4			—
Managed Pen Fund	177 0	186 3		—
Property Pen Fund	114.0	120.0		—
Index Lnkd Pen Fund	111.6	117.4		—
Managed	118.9	125.2	+0.3	—
Property	104.0	109.5		—
Gilt and Fixed Interest	106 0	111.6	+0.3	—
Index-Linked	98.3	103.5		—
Equity	115.8	121.9	+0.2	—
Cash	103 7	109.2		—
Midland Bk Unit Tst.	115.6	121.7	+0.1	—
Midland Bank Intnl.	136.8	144.0	−0.2	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£36.78	—	−0.09	—
Property Units	£17.24	—	+0.04	—
Equity Bond/Exec	£23.96	25.35	−0.08	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G T Plan Bond Fund	122.5	129 0	−0 1	—
GT Pln High Yld Fnd	113.5	119.5	−0.7	—
GT Plan Far East Fnd	110.5	116.4	+0 7	—
GT Plan N Am Fd	133.7	140.8	−1.9	—
GT Pln UK&G E. Fnd	126 7	133.4	−1.1	—
GT Pln Wrldwde Fnd	130.4	137.3	−0.7	—
GT Pension Bnd Fnd.	131 9	138.9	−0 4	—
GT Pen High Yld Fd	128.5	135 3	−0.8	—
GT Pen Far East Fd	133 7	140.8	−1 0	—
GT Pen N. Am. Fd	192.4	202 6	−3.7	—
GT Pen UK & G E. Fd	146.5	154.3	−1.4	—
GT Pen Worldwide Fd	138.5	145 8	−0.8	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Intl. Managed Bond	166.9	175.7		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd Acc.	247.0		−2.3	—
Portfolio Fd. Init.		204.2		—
Portfolio Fd. Cap.		236 8		—
Investment A nts	246.9	260.0		—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd B'mouth. 0202 767655

Managed Fd	267.0	281.3		—
Money Fd	155.2	163.4		—
Equity Fd	224.8	236 9		—
Fixed Int. Fd	116 0	122.2		—
Property Fd	171 0	180.2		—
Managed Pen. Fd	244.2	257.3	−1.2	—
Equity Pension Fd	176.8	186.3	−6.1	—
Fixed Int. Pen. Fd	162 9	171.7		—
High Yield Pen. Fd	161.0	169 6		—
Money Pension Fd	127.9	134.7	+0.2	—
Property Pension Fd	126.9	133.7		—

Gresham/Framlington

American & Gen. Fd	252 7	266.3	−1.2	—
Income Fd	177.0	186.5	−0.6	—
Int'l Growth Fd	264.0	278.2	−2.5	—
Capital Fund	187.9	198 0	+0.3	—
Recovery Fund	142.4	150 1		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

Maize report boosts U.S. grain values

BY NANCY DUNNE IN WASHINGTON

GRAIN PRICES bounded upward in early trading on the Chicago Board of Trade yesterday after release of a Department of Agriculture (USDA) report indicating that maize supplies will be even tighter than had been expected.

The department reported record high stocks of old crop maize at 3.1bn bushels, but these were down 0.3bn from previous forecasts. Stocks of 1982 wheat stood at 2.95bn bushels, 1 per cent below last year at this time, and slightly below what had been predicted.

USDA said maize stocks have been depleted by higher-than-expected feed usage during the summer drought. Feed usage, which had been forecast for 4.5bn bushels this year, was, instead, an estimated 4.776bn.

The reduced maize carryover for 1983 will be felt next year. The department had already predicted a "dangerously low carryover" of 819m bushels next summer. Its supply and demand report due out late today is expected to drop that figure by almost 300m bushels.

In view of the reduced grain supplies, resulting from both the drought and the payment-in-kind (Pik) programme, the Department of Agriculture has designed a very skimpy acreage reduction programme for next year, which analysts say could mean a return to all-out planting.

Alarmed by that prospect, the House agriculture committee is now working on legislation to encourage farmers to reduce acreage. The most likely proposal, introduced by Mr Thomas Foley, the committee vice-chairman, is a 1984 wheat programme offering farmers both cash and crops for reducing up to 50 per cent of their production.

To get USDA support, the legislation would lower the target prices which determine the amount of subsidies, or deficiency payments given to farmers, if prices remain below $4.45 per bushel.

Mr William Lesher assistant agriculture secretary, has said that the administration would accept a more attractive wheat programme in exchange for reduced target prices, which will cost the department billions next year. However ,the department is unlikely to support any of the Bills under consideration which would promote reduction of maize production.

The current USDA maize programme for next year asks farmehrs to limit production on 10 per cent of their land but offers no crops or cash in return.

Confusion on cocoa market

BY OUR COMMODITIES EDITOR

LONDON COCOA traders were thrown into confusion yesterday by a Reuter report quoting the Ghana Marketing Board as estimating the 1982-83 crop at only 110,000 tonnes—well below previous forecasts of an out-turn of around 180,000 tonnes.

The board itself had previously reported that cumulative purchases of main crop cocoa from growers totalled 176,562 tonnes, and mid-crop purchases have already reached 1,471

Reuter said it was checking the report but meanwhile traders were treating the figure with considerable reserve. More attention was paid to an estimate for 1983-84 season reducing the forecast production from 230,000 to 150,000 tonnes.

The report said the dramatic drop was due to devastation caused by bush fires and continuing drought.

Uncertainty on potato crop continues

By Barbara Dalzell

POTATO Marketing Board (PMB) supply estimates released yesterday indicate that main crop yield may be slightly higher than expected earlier.

The board's latest tonnes-per-hectare estimate to date is 32.8 tonnes, with an estimated 33.3 tonnes by the end of the season. This improves the 28-29 tonnes figure given in September but is well down on the record 41.8 tonnes per hectare in 1982 for the PMB planted area main crop.

The board is reluctant to assess overall yield at this stage.

"With an estimated 60,000 hectares of the main crop destined for winter storage still in the ground at October 21, there remains considerable uncertainty about final production levels," it says.

However, the board earlier this year estimated plantings at 164,995 hectares. On yesterday's figures, this would give a total yield of 4.98m tonnes to 5.49m tonnes.

This would still give lower production than usual, although plantings this year were 3,740 hectares up on last year.

Poor growing conditions have caused considerable setbacks to this year's crop, with heavy rain in the spring delaying planting and harming root development and the summer drought stunting development and growth.

On the London potato futures market yesterday, the April position closed at £213.2 a tonne, up from the day's low of £205. The previous close was £212.4. Yesterday was a busy day, with 1,118 contracts traded for April and 94 sales for other positions.

Spain looks forward to bumper citrus crop

BY OUR CORRESPONDENT

SPAIN has high hopes for the 1983-84 citrus crop. It is expected to be 11.5 per cent heavier than last season and could produce a record 3.8m tonnes.

A few years ago, such a prospect would have alarmed Spanish producers and exporters—especially since the increase is not confined to the mandarin varieties winning increasing popularity in the British market. Increased production of the more traditional naval types, for which demand has been almost static, is also expected.

This year, however, the Spaniards are confident that their crop will score on both volume and value, because of reforms in citrus production and marketing initiated a decade ago.

The most obvious change is in varietal patterns. Types fashionable years ago, such as blood oranges, have been phased out in favour of soft citrus, including satsumas and clementines, which offer the best hope of lifting British citrus consumption from its present 10 kg a head annually to a level approaching that of the French and Germans, who eat four times as much.

The 350,000-tonne increase looks formidable enough against last year's production of just over 3m tonnes, and even more so in relation to Britain's 1982-83 intake of 162,000 tonnes, worth about £70m wholesale.

In other European markets where citrus is better established there may be problems disposing of the extra 165,000 tonnes of navels, though the figure will be partly offset by falls amounting to almost 6 per cent or 9,000 tonnes, in salustianas, castellanas and other blood oranges.

Britain, however, should be receptive to the extra mandarins that will arrive here as a result of a 12 per cent larger harvest of satsumas and 6 per cent more clementines. This confidence is based on the fact that 85 per cent of the soft citrus nowadays consumed in Britain is from Spain, with Morocco supplying most of the rest.

Spain still spends less on promotion than other countries with more centralised marketing but the funds applied are believed to have grown to about £300,000 and the benefits, mainly for mandarins, are beginning to tell.

Spain's chief competitor is Israel, which sells only slightly less citrus on the British market. In the past year, the Spanish peseta has been substantially devalued, both officially and by inflation. This should make Spanish fruit easier to buy in sterling but producers' costs have also soared and they will be trying to pass them on to consumers.

Israel's recent devaluation of 23 per cent, following one in August of 7.5 per cent, and a doubling of domestic food prices that will inhibit consumption within Israel, is eclipsing Spain's effective devaluation.

On balance, because of sterling's strength, citrus should mean value for British consumers, albeit at the expense of the producers and exporters.

The quality of the Spanish crop looks good, at present, with cultural conditions favourable. Climate permitting, the season should see further improvement in quality from such factors as heavier applications of fertilisers, more scientific use of the plentiful irrigation water, and other benefits materialising from research.

None of the major citrus exporting countries shows signs this year of a crop failure that could help the others, but a bonus from another quarter is that the European apple crop is expected to be smaller than usual so this should boost citrus consumption.

Copper comes under renewed pressure

BY JOHN EDWARDS

COPPER PRICES came under renewed pressure on the London Metal Exchange yesterday. Prices dropped to the lowest level since last December in spite of receiving a temporary boost following reports of the U.S. invasion of Grenada.

The three months quotation for higher grade copper closed £8 lower at £972.25 a tonne and eased further in after-hours dealings.

The market was depressed by continued lack of trade buying interest and the move by U.S. producers to cut their domestic selling prices by 2 cents to 68 cents a lb.

Other base metals followed a similar pattern. Three months aluminium lost £6 to £1054.25 a tonne—its lowest level since early August.

Three months zinc touched a new nine-month high of £608 before easing to close marginally lower on the day at £603.25 a tonne and dipping to £599 in after hours trading.

The market was boosted by news that other leading U.S. zinc producers had followed the move by Amax to lift its domestic selling price by 3 cents to 49 cents a lb.

However, Noranda, of Canada, rescinded the increase in its European producer price to $935 a tonne, cutting it back to $925 in line with the rises announced by other producers.

A M & S (Europe), the UK smelter, confirmed it was raising its price from $880 to $925 and this is now the generally accepted new European producer price.

A further boost came when the U.S. Bureau of the Mint said it had increased the amount of zinc it will tender to 25m lbs from the 16m lbs previously announced.

The Mint said the tender will be held on November 10 for zinc to be delivered to ball zinc products division, Greeneville, Tennessee, starting the week of December 19.

Previously the tender had been planned for around November 8.

Meanwhile, at the International Lead Conference in The Hague, Mr Richard Murdoch of the Lead Development Association, claimed that in spite of the recession in the building industry the use of lead sheet for building in the UK had increased steadily over the past few years.

There had been a return to the use of traditional building materials, he said, since alternative and cheaper materials had often proved to be unsatisfactory.

Discussion on Cap proposals

A DELEGATION of British farmers led by Sir Richard Butler, president of the National Farmers' Union, met ministers yesterday to discuss proposals for changes in the EEC Common Agricultural Policy.

They were met by Mr Michael Jopling, Minister of Agriculture, who was accompanied by Mr Nicholas Edwards, the Secretary of State for Wales, Lord Gray, Scottish Office Minister, and Lord Mansfield, Northern Ireland Office Minister.

The leaders of the farmers' unions, which have already made their position clear to ministers, re-emphasised their concern over EEC proposals for changes in the Common Agricultural Policy.

They again underlined their total opposition to the suggested superlevy for milk.

Sugar prices drop sharply

By John Edwards

SUGAR PRICES dropped sharply on the London terminal market yesterday. The London daily price for raw sugar was cut by £10 to £148 a tonne compared with £170 a fortnight ago.

On the futures market the March position tumbled by over £9 to £183.65 a tonne.

Traders said the decline was mainly technical, with speculative selling by computer funds in particular bringing a sharp fall in the New York market. There was no fundamental supply-demand developments to account for the decline. The conflict in Grenada was virtually ignored.

● PAKISTAN'S cotton crop is likely to fall well short of the target of 5.2m bales. Trade estimates put it at about 3.8m to 4.5m bales.

● MAIN CEREAL drillings in England and Wales are complete, with only post-root crops remaining.

● CHINA HAS tentatively agreed to import 100,000-150,000 tonnes of maize, 100,000 tonnes of rice, 50,000-100,000 tonnes of raw sugar and 30,000 tonnes of rubber from Thailand in 1984.

● MR LESLIE PRICE has been reappointed chairman of the Australian Wheat Board.

● SOUTH KOREAN rice production is expected to be 5.4m tonnes in 1983, up 4.2 per cent from 5.18m tonnes last year. The Government puts the country's minimum needs at 5.5m tonnes.

● AT LEAST 30 people have died in recent floods and heavy rain in Thailand. More than 1m acres of farmland and 30,000 acres of fish farms were damaged.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 25 1983	+ or —	Month ago
Metals			
Aluminium	£1050		£1050
Free Mkt.	$1570/1600		$1575/605
Copper			
Cash h grade	£949.5	—8.0	£1024
3 mths	£972.75	—9.0	£1051.5
Cash Cathode	£930.25	—9.5	£997.5
3 months	£952.5	—9.25	£1023.75
Gold troy oz	$393.125		$403.625
Lead Cash	£279.5	—4.25	£269.25
3 months	£288.625	—5.125	£279.25
Nickel	£4646.34		£4646.34
Free mkt	215/235c		220/250c
Palladium oz.	$144.00	+2.00	$151.50
Platinum oz.	£265.25	+2.75	£285.70
Quicksilver†	$320/330		$295/305
Silver troy oz.	639.10	—3.1	783.75p
3 mths	653.15	—2.7	801.85p
Tin cash	£8557.5	+19.0	£8527.5
3 months	£8630.5	+8.0	£8611
Tungsten	$85.79		$72.17
Wolfr'm 22.04 lb	$79/83		$79/83
Zinc Cash	£589.5	—2.0	£549
3 mths	£603.25	—5.0	£564.25
Producers	$925		$880

	Oct. 25 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$890.0	+2.0	$985
Groundnut	$1075		‡
Linseed Crude	316	—1	£521.60
Palm Malayan	$670		$690
Seeds			
Copra Phili	$570y		$645
Soyabean (U.S.)	$331.5	—2.5	$372
Grains			
Barley Fut. Jan	£119.80		£119.30
Maize	£146.00		£144.55
Wheat Fut. Jan	£125.70	—0.35	£122.60
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	—		£1587.5
Fut. March	£1420.5	—1	£1539.5
Coffee Ft. Jan.	£1911		£1748.5
Cotton A. Index	88.80		89.05c
Gas Oil. Nov.	$253.75	+0.25	$255.25
Rubber (kilo)	77.50p	—0.50	76p
Sugar (Raw)	£148.0	—10.0	£140.5
Woolt'ps 64s.	400p kilo		400p kilo

‡ Unquoted. w Nov. u Dec. v Jan. x Oct-Nov. y Nov-Dec. † Per 76 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.70	+0.05
Iranian Light	28.00	—
Arabian Heavy	26.60-26.70	+0.05
North Sea (Forties)	29.65-29.75	+0.15
North Sea (Brent)	29.75-29.90	+0.05
African (Bonny Li'ht)	29.90-30.00	+0.03
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	290-295	+1.0
Gas oil	250-258	+2.0
Heavy fuel oil	172-175	—

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct.	250.00	+0.50	250.25-49.50
Nov.	253.75	+0.25	254.00-53.00
Dec.	255.50	+0.50	255.75-54.00
Jan.	255.75	+0.56	254.00-52.50
Feb.	253.50	+1.00	252.50-52.80
Mar.	249.25	+0.75	249.50-48.00
April	247.00	+2.00	247.25-45.56
May	244.00	—	—
June	244.00	—	—

GOLD MARKETS

Gold rose $2½ to close at $398½-$399 on the London bullion market. It opened at $397-397¾, and was fixed at $396¼ in the morning, and $398 in the afternoon. The metal touched a peak of $399-399½, and a low of $396-$396½.

In Paris the 12½ kilo gold bar was fixed at FFr 101,700 per kilo ($398.21 per ounce) in the afternoon, compared with FFr 101,300 ($396.69) in the morning, and FFr 101,950 ($397.26) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,220 per kilo ($397 per ounce), against DM 33,310 ($397.01), and closed at $398-398½ compared with $394½-395½.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $397.40 per ounce, against $396.50 on Monday.

In Zurich gold finished at $397-$400, compared with $393-396.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Oct.	—	—	—
Dec	397.60-8.10	—0.75	402.10-99.70
Feb.	413.80-14.80	+9.55	—
April	421.00-21.50	+10.5	—
June	427.40-28.50	+10.5	—
Aug	427.40-28.50	+3.70	—

Gold Bullion (fine ounce)	Oct. 25		Oct. 24	
Close	$398¼-399	(£265½-266)	$395¼-396½	(£264-264½)
Opening	$397-397¾	(£264¼-265¼)	$395¾-396½	(£264¼-264¾)
Morning fixing	$396.25	(£264.202)	$396.25	(£264.308)
Afternoon fixing	$398	(£265.333)	$394.50	(£263.351)

Gold Coins Oct. 25

Krugrnd	$410¾-411¼	(£274-274¼)	King Sov	$95-96½	(£63¼-64¼)
½ Krg	$211½-212	(£141-141½)	Victoria Sov	$95-96½	(£63¼-64¼)
¼ Krg	$108-108¾	(£72-72½)	French 20s	$79½-81¼	(£53-54¼)
1/10 Krug	$44-44¾	(£29¼-29¾)	50 pesos Mex	$483-485	(£322-323½)
Mapleleaf	$410½-411	(£273¾-274)	100 Cor. Aust	$389-393	(£259½-262)
New Sov	$93¾-94¼	(£62½-62¾)	$20 Eagles	$575-585	(£383½-390¼)
½ New Sov	$56¼-57	(£37½-38)			

EUROPEAN MARKETS

ROTTERDAM, Oct 25

Wheat—(U.S. $ per tonne). U.S. No. 2 Red Winter Nov 160, Dec 161, Jan 164, Feb 165.50, March 166.50; U.S. Northern Spring, 14 per cent protein Nov 187.50, Nov 15-Dec 15 187, Dec 190, Jan 194, Feb 196; U.S. No. 3 Amber Durum Oct 10-Nov 10 200, Nov 200, Dec 202, April-May 206; U.S. Dark Hard Winter 13 per cent protein unquoted; U.S. Hard Winter Ordinary protein unquoted; Canadian Western Spring spot 205.50, Oct-Nov 206.50.

Maize — (U.S. $ per tonne): U.S. No. 3 Yellow Afloat 162, Oct 163, Nov 161, Dec 159.50, Jan-March 161, April-June 162.50 sellers; Argentine Plate Afloat 173, Oct 172, mid-Oct-mid-Nov 172, Nov 175 sellers.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were easier on the London Metal Exchange, especially Copper which fell away to £967 on short selling and general liquidation before rallying. Lead followed suit and closed at £287.5 while Aluminium was finally quoted at £1,052.5 and Nickel £3,218. Zinc fluctuated between £595 and £610 prior to closing at £599.5 with news of Noranda's price cut offset by reports of a 12m tonnes mint tender due on November 8.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	946-.5	—14	949.50	—8
3 months	969-70	—14.7	972.5-3	—9
Settlem't	946.5	—14	—	—
Cathodes				
Cash	926.5-7	—16	930-.5	—9.5
3 months	949.5-50	—15.2	952-3	—9.25
Settlem't	927	—16	—	
U.S. pro'd	—	—	*71.5-5	

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £946, three months £969, 68, 67.50, 68, 69, 68.50, 68, 68.50, 69, 69.50, 70, 69.50. Cathodes: Three months £950. Kerb: Higher Grade: Three months £968.50, 69.50, 70, 71, 70.50, 71. Afternoon: Higher Grade: Three months £973, 73.50, 73, 72.50. Cathodes: Cash £930.50, three months £953. Kerb: Higher Grade: Three months £973, 72, 71.50, 71, 70.50, 71, 70, 69, 68.50, 69, 69.50. Turnover: 22,450 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8717-20	+1	8710-20	—2.5
3 months	8700-1	—7	8700-10	—2.5
Settlem't	8720	—	—	
Standard				
Cash	8530-2	—5.5	8555-60	+18
3 months	8616-7	+.5	8630-1	+8
Settlem't	8532	—6	—	
Straits E.	$30.06	—0.01	—	
New York				

Tin—Morning: Standard: Cash £8,535, 32, three months £8,616, 15, 17, 16. High Grade: Three months £8,700, 02, 8,700. Kerb: Standard: Three months £8,616, 17. Afternoon: Standard: Three months £8,617, 30. Kerb: Standard: Three months £8,640, 45, 47, 49. Turnover: 990 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	280-1	—4.5	279-80	—4.25
3 months	289-.25	—3.5	288.5-.75	—3.12
Settlem't	281	—4.25	—	
U.S. Spot	—		*25-8	

Lead—Morning: Cash £280.50, three months £289, 88.50, 88, 88.50, 89, 89.25, 89. Kerb: Three months £280.25, 89.50, 90, 89.50. Afternoon: Three months £289.50, 90, 89.75, 89.50, 89, 88.50. Kerb: Three months £287, 87.50, 88, 87.50, 87. Turnover: 12,875 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	585-6	—6.75	589-90	—2
3 months	599-.5	—3.62	603-.5	—.5
Settlem't	586	—6.5	—	
Primw'ts	—		*46	—9

Zinc—Morning: Three months £595, 96, 95.50, 95, 96.50, 96, 97, 98, 98.50, 99. Kerb: Three months £600, 01, 01.50, 02. Afternoon: Three months £602, 03, 04, 05, 06, 07, 08, 07.50, 07, 06, 05.50, 05, 04.50, 04, 03.50. Kerb: Three months £603, 02, 01.50, 600.50, 600, 599. Turnover: 21,225 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1018-.5-9	—11.7	1027—8	—6.5
3 months	1045-.5	—12.2	1054-.5	—6

Aluminium—Morning: Cash £1,018.50, three months £1,049, 48.50, 48, 47.50, 47, 46, 46.50, 47, 46, 45.50, 45. Kerb: Three months £1,054, 44, 45, 46, 48.50, 48, 45.50, 46, 47, 48. Afternoon: Three months £1,051, 52, 52.50, 53, 54, 55, 56, 55.50, 55, 54, 54.50, 55, 56, 55.50, 55, 54.50. Kerb: Three months £1,054, 53.5, 54, 53, 52, 51, 50, 51, 53, 52, 51.5, 51, 50.5, 51, 52. Turnover: 23,775 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3155-6	—49.5	3140-5	—24
3 months	3214-5	—40.5	3215-8	—21

Nickel — Morning: Three months £3,214. Kerb: Three months £3,215, 20. Afternoon: Three months £3,225, 21, 20, 15, 12, 15, 12. Kerb: Three months £3,215, 18, 15. Turnover: 654 tonnes.

SILVER

Silver was fixed 3.1p an ounce lower for spot delivery on the London bullion market at 639.1p. U.S. equivalents of the fixing levels were spot $9.58, down 4c; three-month $9.802, down 3.5c; six-month $10.022, down $3.3c; and 12-month $10.438, down 0.2c. Silver opened at 640-642p ($9.60-$9.64), and closed at 645-647p ($9.67-9.71).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	639.10p	—3.10	648.0p	+5.5
3 months	653.15p	—2.70	662.5p	+7.0
6 months	667.35p	—2.60	—	
12months	697.30p	—1.80	—	

LME—Turnover 64 (61) lots of 10,000 ozs. Morning: Three months 656.0, 52.5, 53.5. Kerb: Three months 655.0. Afternoon: Three months 661.0, 62.0, 63.0. Kerb: Three months 662.0, 61.0, 60.0, 57.0.

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse 1950/1990.

BISMUTH: European free market, min. 99.99 per cent, $ per pound, tonne lots in warehouse 1.73/1.83.

CADMIUM: European free market, min. 99.95 per cent, $ per pound, in warehouse, ingots 0.78/0.83, sticks 0.78/0.84.

COBALT: European free market, 99.5 per cent, $ per pound, in warehouse 5.55/5.65.

MERCURY: European free market, min. 99.99 per cent, $ per flask, in warehouse 323/328.

MOLYBDENUM: European free market, canned molybdic oxide, $ per pound Mo, in warehouse 3.85/3.90.

SELENIUM: European free market, min. 99.5 per cent, $ per pound, in warehouse 4.15/4.80.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit WO_3, cif 76/81.

VANADIUM: European free market, min. 98 per cent V_2O_5, other sources, $ per pound V_2O_5, cif 190/195.

Producer list price for selected metals as recorded in Metal Bulletin.

ALUMINIUM: World: virgin ingots Alcan, min. 99.5 per cent, $ per tonne, cif Hong Kong and Rotterdam 1750.

BISMUTH: UK MCP-Peko, 99.99 per cent, $ per pound, tonne lots, ex-warehouse 2.30.

COBALT: World, Zaire: Sozacom, $ per pound 12.50.

NICKEL: World: Inco, melting grade, $ per pound, cif Far East and America, delivered rest of world 3.20.

URANIUM: Nuexco exchange value, $ per pound U_3O_8 2400.

VANADIUM: Highveld fused min. 98 per cent V_2O_5, $ per pound V_2O_5, cif 2.30.

ZINC: GOB producer basis, $ per tonne 925.

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
Nov.	1896-97	—36.5	1940-97
January	1896-98	—14.0	1924-1890
March	1844-46	+3.5	1857-37
May	1795-1800	+11.5	1806-1790
July	1767-70	+16.5	1775-60
Sept.	1736-39	+15.5	1744-29
Nov.	1711-20	+12.0	1720-10

ICO indicator prices (U.S. cents per pound) for Oct 24: Comp daily 1979 136.95 (136.66); 15-day average 135.74 (135.40).

Sales: 4,371 (4,008) lots of 5 tonnes.

HIDES

HIDES — Birmingham (Manchester). Second clears. Ox 31-35.5 kg 84.3p a kg (82.1p); 26-30.5 kg 98.0p a kg (93.8p); 22-22.5 kg 109.1p a kg (101.7p). Cows: 25.5 kg 108.7p (39.4p).

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1414-17	—	1420-11
March	1420-21	—1.0	1424-12
May	1433-34	—	1437-26
July	1446-47	+20	1451-43
Sept.	1461-62	—1.0	1465-56
Dec	1470-80	—4.5	1483-78
March	1498-1502	—8.5	1499

Cocoa futures today opened on a relatively steady note, higher than anticipated, and these levels were maintained to the close. Good physical interest was noted. Industry and second hand activity was seen for both beans and products, however, producers remain withdrawn, reported Gill and Duffus.

GRAINS

	WHEAT		BARLEY	
Mnth.	Yestrdy's close	+ or —	Yestdy's close	+ or —
Nov.	120.65	—0.35	115.80	—0.70
Jan	123.70	—0.35	119.80	+0.10
Mar.	126.70	—0.35	122.75	—0.20
May	129.55	—0.35	124.70	—0.05
July	132.35	—0.35	—	
Sept.	117.40	—0.35	113.40	—0.56

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Oct 134.50 Nov 135.25 Dec 137.25 transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EC unquoted. English Feed fob Nov 125.50 East Coast. Maize: French first half Nov 146.50 transhipment East Coast. Barley: English Feed fob Oct 120, Nov 127 East Coast.

Wheat market came under country selling pressure to lose 30p but found good shipper buying support to remain in a narrow range and close 30-35 down. Barley was very thin with spot under long liquidation selling pressure to close 35 down to unchanged. New crops also lost 35-50, reports Muirpace.

POTATOES

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov.	155.90	154.60	165.00-54.50
Feb.	182.00	182.00	178.00
April	213.20	212.40	218.00-05.00
May	217.70	216.60	218.00-12.00
Nov.	82.00	82.00	—

Sales 1,212 (895) lots of 40 tonnes.

RUBBER

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	780-785	786-799	790
Dec	775-780	783-786	—
JanMch	784-786	790-793	785-777
Apl-Jne	801-803	806-808	805-795
Jly-Sept	816-817	821-823	822-811
Oct-Dec	829-834	835-838	—
JanMch	843-846	849-854	—
Apl-Jne	863-864	866-870	—
JlySept	870-785	882-884	—

SOYABEAN MEAL

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec.	183.30-83.60	+2.60	183.50-81.00
Feb.	189.50-90.00	+1.95	190.00-89.00
April	189.70-90.00	+2.40	189.70
June	187.60-87.80	+1.95	187.60
August	187.70-88.50	+1.10	187.80
October	179.50-80.50	+8.75	180.00-78.00
Dec.	170.00-88.00	+34.5	174.50

Sales: 93 (406) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw Sugar £148.00 (£158.00) a tonne for Oct-Nov-Dec shipment. White sugar £165.00 (£173.50).

No. 4 Con-tract	Yest day's close	Previous close	Business done
	£ per tonne		
Dec	157.75-58.25	165.00-66.25	165.00-57.25
Mar	163.15-63.25	169.75	170.00-63.05
May	168.55-59.75	174.75	174.50-68.75

Sales: 3,447 (2,697) lots of 50 tonnes.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for Oct 24: Daily price 9.40 (9.72); 15-day average 9.98 (10.01).

COTTON

LIVERPOOL—Spot and shipment sales in Liverpool amounted to 60 tonnes. Bringing the total for the week so far to 223 tonnes. Minor contracts were under review but support was mentioned in North and South American Textiles.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kg. Dec 559.0, 559.5, 558.5-559.0. March 578.5, 579.5, 578.5-578.5. May 590.0, 590.5, 591.0-591.0. July 600.0, 600.5, 601.0-601.0. Oct 596.0, 598.5, 597.0-597.0. Dec 607.0, 609.0, 608.0-609.0. March 620.0, 622.0. Estimated sales: 41.

INDICES

FINANCIAL TIMES

Oct. 25	Oct. 24	M'th ago	Y'ar ago
286.44	285.62	290.16	287.10

(Base: July 1 1952=100)

REUTERS

Oct. 25	Oct. 24	M'th ago	Y'ar ago
1895.6	1910.7	1887.5	1504.2

(Base: September 18 1931=100)

MOODY'S

Oct. 24	Oct. 21	M'th ago	Year ago
1031.4	1035.2	1059.3	976.8

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Oct. 24	Oct. 21	Month ago	Year ago
Spot	137.39	138.21	142.25	126.43
Fut's	144.22	144.26	149.98	155.33

(December 31 1931=100)

EEC sales of cheese anger NZ

By Dai Hayward in Wellington

EEC dumping of cheese has angered New Zealand and Australian producers and sparked off a price war in international markets. New Zealand dairy farmers are particularly annoyed because the EEC cheese, subsidised by Common Market taxpayers, is undermining years of hard work building up markets in Japan.

A major culprit in Japan is West German cheddar. This has been offered at well below the ruling price and had an immediate effect on imports from Australia and New Zealand. Both were forced to slash prices or risk losing their share of a market they have spent years cultivating and developing.

The intrusion of the EEC cheddar has come at a particularly bad time for the New Zealand dairy industry which was hoping to expand sales to Japan this year.

There is a quota on the amount of cheese New Zealand can send to the U.S. and EEC countries. This totals about 28,000 tonnes. Because of competition from subsidised EEC cheese in other markets, but particularly Japan and the Middle East, New Zealand is now having trouble selling the 100,000 tonnes of cheese it has produced regularly for some time.

The New Zealand Dairy Board has issued instructions to cut cheese production this current season but this will not help the stocks already produced, or the financial returns for the New Zealand dairy farmer.

Cheese is the most sensitive of all dairy products. Unlike butter or other products, it cannot be stored for long. After about three months it develops a more powerful taste, so there is great pressure on producers and agents to sell as quickly as possible.

The big commercial users of cheese such as the processing companies in the U.S. prefer a bland cheese which will not produce a strong taste in the manufactured product.

In July the Common Market countries had 325,000 tonnes of cheese in store.

All of this has had the benefit of EEC price support. New Zealand dairy producers say a more practical solution to the surplus EEC production would be to encourage EEC consumption.

AMERICAN MARKETS

NEW YORK, Oct 25

Copper prices were on the defensive most of the day. After an early semblance of stability prices began to erode under pressure of arbitrage selling against the pound sterling until they virtually collapsed on the close in the absence of any buying. The market has been seriously hurt by a lack of a long speculative interest. Heating oil was moderately higher on buying stops and short covering. The market is nervous about any spillage of the Palestinian conflict into a wider confrontation. Sugar prices continued to retreat on heavy selling by computer systems and on reports of better sized recoveries in the USSR. Cocoa recovered on support attributable to rumours of unfavourable weather in West Africa and Brazil. Coffee ran into light profit-taking and dealer selling at unchanged levels and prices finished moderately lower. Cotton prices firmed after yesterday's late sell-off as uncertainty over the status of the Texas crop continued to concern the traders. Precious metals traded on both sides of the previous close. The inability to establish new highs with the background of political and international tensions brought in selling into gold and silver with closes moderately lower. Grains and soyabeans closed sharply higher in response to a bullish grain stock report. In fact, the stocks to disappearance ratio indicates the tightest stock position in maize since World War II.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	1970	1973	1942	1938
March	2000	2001	1970	1969
May	2024	2024	1999	1985
July	2040	2040	2022	2009
Sept	2065	—	—	2029
Dec	2075	—	—	2056
Marhc	—	—	—	2165

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	143.23	44.50	42.60	143.54
March	140.70	41.50	—	140.61
May	137.30	37.30	36.50	136.81
July	133.63	33.75	32.70	133.75
Sept	131.00	31.00	30.25	129.80
Dec	128.13	28.00	30.25	127.25
March	126.00	—	—	128.00

COPPER 25,000 lbs, cents/lbs

	Close	High	Low	Prev
Oct	62.30	—	—	64.15
Nov	62.95	—	—	64.30
Dec	63.55	64.85	63.50	64.90
Jan	64.20	65.25	64.90	65.60
March	65.55	66.85	65.60	66.95
May	66.90	68.05	66.80	68.30
July	68.25	69.35	68.20	69.65
Sept	69.60	70.65	69.50	71.00
Dec	71.65	72.65	71.65	73.05
Jan	72.35	—	—	73.75

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	79.85	79.95	79.02	79.05
March	81.20	81.20	80.25	80.27
May	81.55	81.55	80.90	80.80
July	81.80	81.80	81.15	81.05
Oct	76.25	76.45	76.25	76.05
Dec	—	75.25	75.10	75.20
March	76.50	—	—	76.15

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	397.5	399.5	398.5	398.3
Nov	397.6	399.0	399.0	398.5
Dec	400.8	403.0	399.3	401.8
Feb	407.2	409.2	405.5	408.2
April	413.8	415.5	413.0	414.9
June	420.8	422.0	419.3	421.8
Aug	427.6	429.0	427.0	428.6
Oct	434.8	436.0	435.5	435.8
Dec	442.3	443.0	441.5	443.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Nov	80.90	81.00	80.55	80.78
Dec	82.10	82.35	81.75	81.97
Jan	82.45	82.65	82.00	82.13
Feb	81.80	81.80	81.25	81.36
March	—	79.80	79.30	81.35
April	77.60	—	—	78.00
May	78.00	—	—	76.50
June	—	—	—	75.50
Dec	—	—	—	—
Jan	—	—	—	—

ORANGE JUICE 15,000 lbs, cents/lbs

	Close	High	Low	Prev
Nov	126.30	26.30	26.75	126.70
Jan	121.80	21.80	20.90	120.80
March	119.80	19.80	19.10	119.00
May	118.40	18.20	17.95	118.00
July	118.20	18.10	17.80	118.00
Sept	117.70	—	—	117.50
Nov	117.20	—	—	117.00
Jan	114.00	—	—	114.80
March	14.00	—	—	14.80

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	390.4	—	—	394.6
Nov	—	—	—	—
Dec	395.9	—	—	400.1
Jan	397.9	402.5	398.0	402.1
April	403.4	407.0	407.5	408.1
July	410.4	412.5	412.5	415.8
Oct	417.4	421.0	421.0	423.1
Jan	430.0	—	—	430.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	968.5	970.0	960.0	964.2
Dec	968.0	982.0	964.0	973.0
Jan	979.2	990.0	977.5	981.2
March	988.7	6.0	989.0	997.7
May	1010.2	22.0	9.0	1015.2
July	1027.7	40.0	34.0	1032.7
Sept	1049.2	54.0	46.0	1050.2
Dec	1072.0	85.0	76.0	1077.0
Jan	1080.8	—	—	1085.8
March	1098.5	106.0	106.0	1103.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	9.50	9.55	9.43	9.59
March	9.89	10.02	9.77	10.08
May	10.24	10.38	10.16	10.67
July	10.54	10.70	10.49	10.90
Sept	10.73	10.88	10.73	11.15
Oct	10.97	11.11	10.88	11.28
Jan	10.97	11.26	11.26	11.63
March	11.83	12.14	11.82	12.25

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	59.02	59.30	58.65	58.85
Feb	58.82	59.22	58.35	58.50
April	61.35	61.50	61.00	60.97
June	63.90	63.85	63.20	63.45
August	62.55	62.90	62.35	62.55
Oct	61.20	61.20	61.00	61.10

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	42.40	43.00	42.15	42.72
Feb	45.25	46.10	45.02	45.70
April	45.40	46.00	45.27	45.40
June	50.82	51.10	50.50	50.85
July	52.80	52.97	52.45	52.70
August	52.20	52.45	52.20	52.00
Oct	51.27	51.30	51.00	51.25
Dec	52.40	52.70	52.40	52.45
Feb	—	51.50	—	—

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	348.0	350.0	346.5	341.2
March	346.2	348.2	345.0	338.2
May	347.0	348.4	345.4	338.2
July	343.0	345.0	342.0	336.8
Sept	315.0	318.4	315.0	310.0
Dec	294.2	295.4	294.2	291.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	59.00	60.55	58.85	59.86
March	59.15	60.67	59.10	60.05
May	60.97	62.00	60.50	61.27
July	61.50	62.65	61.50	61.70
August	60.05	61.70	59.90	60.32

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Nov	840.0	845.0	834.0	823.0
Jan	858.4	863.0	853.0	841.0
March	872.4	876.4	867.0	853.4
May	877.2	881.4	873.0	859.4
July	872.4	877.0	866.0	854.4
August	845.0	850.0	843.0	830.0
Sept	784.0	789.0	781.0	762.0
Nov	688.4	693.0	686.0	678.0
Jan	698.0	—	—	688.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	235.7	237.0	233.5	230.2
Jan	237.3	239.0	235.5	231.5
March	238.8	241.0	238.5	233.0
May	238.0	240.0	237.0	232.5
July	237.5	239.0	236.0	232.4
August	228.0	229.0	227.0	222.0
Sept	214.7	216.0	214.0	211.0
Oct	191.0	191.5	190.0	190.0
Dec	190.2	190.5	189.6	189.0
Jan	190.0	—	—	188.9

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	29.27	29.40	29.10	28.98
Jan	29.48	29.65	29.40	29.15
March	29.82	30.15	29.80	29.60
May	30.05	30.35	30.00	29.78
July	30.06	30.38	—	29.80
August	29.45	29.85	29.35	29.00
Sept	27.88	27.95	27.80	27.50
Oct	26.30	26.30	26.00	25.90
Dec	25.80	25.95	25.55	25.50
Jan	—	—	—	25.20

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	365.2	367.0	362.0	362.4
March	376.4	381.0	379.0	377.0
May	376.0	381.0	379.0	377.0
July	362.2	366.0	357.4	356.4
Sept	366.0	367.2	365.6	363.4
Dec	379.0	379.4	378.0	377.0

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Little change apart from a firm yen

The dollar and sterling finished little changed after a weak start in very quiet foreign exchange trading. The early downward move was more an adjustment after Monday's sharp rise than a reaction to any new factor. Expectations of unchanged Federal Reserve monetary policy after Friday's sharp rise in M1 money supply dashed hopes of easier interest rates, and events in the Middle East continued to underpin the dollar, while the rise of ½ per cent in the U.S. Consumer Price Index came as no surprise and had no impact.

Sterling was on the sidelines, moving with the dollar, but the Japanese yen was firm following a statement by the Governor of the Bank of Japan on his determination to defend the yen through higher money market rates if necessary.

DOLLAR — Trade-weighted index (Bank of England) 126.0 against 122.0 six months ago. The dollar has retreated from the peaks touched in August amid hopes that a sustained fall was imminent, following better money supply figures, and a slight easing of interest rates. A large U.S. Budget deficit is likely to restrain the fall in interest rates and the dollar, but downward pressure on the currency will continue due to the substantial trade deficit.

The dollar rose to DM 2.6075 from DM 2.6065 against the D-mark, and was unchanged at FFr 7.9550 against the French franc; but fell to SwFr 2.1160 from SwFr 2.1175 in terms of the Swiss franc; and to Y232.50 from Y233.25 against the yen.

STERLING — Trading range against the dollar in 1983 is 1.6235 to 1.4540. September average 1.4991. Trade-weighted index 83.5 against 83.5 at noon, and in the morning, 83.6 at the previous close, and 84.0 six months ago. The pound has tended to move with the dollar recently, although a decline against Continental currencies is probably welcomed. It has also reacted to Middle East tension, and its effect on oil supplies, highlighting the pound's status as a petrocurrency.

Sterling traded within a narrow range of $1.4975 to $1.5010, and opened and closed at the same level of $1.4985-$1.4995, a fall of 5 points on the day. The pound was unchanged at DM 3.91, but eased slightly to FFr 11.9225 from FFr 11.9250; SwFr 3.1750 from SwFr 3.1775; and Y348.75 from Y350.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. September average 2.6683. Trade-weighted index 127.1 against 130.6 six months ago. The D-mark has improved after falling to its lowest level for nearly 10 years against the dollar in August. As U.S. money supply figures have improved attention has switched towards German money supply growth, which is causing some concern, and encouraging the Bundesbank to keep interest rates firm. This, coupled with the strong German economy, is likely to support the D-mark against its EMS partners and the dollar.

The D-mark showed mixed changes at the Frankfurt fixing, in a market tending to lack direction. The Bundesbank did not intervene when the dollar fell to DM 2.6027 from DM 2.6105, after moving in a very narrow range to quiet trading. Sterling fell to DM 3.9030 from DM 3.9120, but members of the EMS were generally firm against the D-mark.

FRENCH FRANC — Trading range against the dollar in 1983 is 8.22 to 6.6060. September average 8.0571. Trade-weighted index 67.6 against 70.5 six months ago. The French franc is comfortably placed within the EMS, and has received a boost from improving balance of payments figures, and the first trade surplus in September for more than four years. This should help to restrain any pressures building up for an EMS realignment and has allowed an easing of Euro-franc interest rates.

The franc was firm against the dollar and most other currencies at the Paris fixing. The dollar fell to FFr 7.9435 from FFr 7.9820: sterling to FFr 11.9110 from FFr 11.9500; the D-mark to FFr 3.0521 from FFr 3.0568; and the Dutch guilder to FFr 2.7177 from FFr 2.7212. On the other hand the Japanese yen rose to FFr 3.4198 per 100 yen from FFr 3.4158.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9456	+2.33	+1.88	±1.5447
Danish Krone ...	8.14104	8.14861	+0.09	−0.36	±1.6425
German D-Mark	2.24184	2.25381	+0.53	+0.08	±1.0642
French Franc ...	6.87456	6.87835	+0.06	−0.39	±1.4052
Dutch Guilder ...	2.52595	2.53098	+0.20	−0.25	±1.4964
Irish Punt	0.72569	0.726358	+0.09	−0.36	±1.6699
Italian Lira	1403.49	1371.60	−2.27	−2.27	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 25	£	$		£ Note Rates
Argentina Peso...	22.62-22.69	15.099-15.119	Austria	27.30-27.60
Australia Dollar...	1.6300-1.6320	1.0875-1.0880	Belgium	80.20-81.00
Brazil Cruzeiro...	1,198.1-1,204.9	799.0-803.0	Denmark	14.05-14.19
Finland Markka...	8.4515-8.4720	5.6425-5.6475	France	11.86-11.98
Greek Drachma...	139.75-140.35	93.20-93.50	Germany	3.88½-3.92½
Hong Kong Dollar	11.68-11.70	7.79-7.80	Italy	2355-2395
Iran Rial	130.00*	86.80*	Japan	347-353
Kuwait Dinar (KD)	0.43475-0.43815	0.29020-0.29075	Netherlands	4.36-4.40
Luxembourg Fr...	79.65-79.75	53.15-53.17	Norway	10.90-11.05
Malaysia Dollar...	3.5125-3.5225	2.3430-2.3450	Portugal	[illegible]
New Zealand Dlr.	2.2565-2.2605	1.5045-1.5070	Spain	223-237
Saudi Arab. Riyal	5.2170-5.2210	3.4800-3.4807	Sweden	11.61-11.71
Singapore Dollar	3.1975-3.2075	2.1325-2.1345	Switzerland	3.15¼-3.19¼
Sth. African Rand	1.6915-1.6935	1.1285-1.1295	United States	1.49-1.51
U.A.E. Dirham...	5.5040-5.5095	3.6720-3.6730	Yugoslavia	193-213

* Selling rates.

CURRENCY MOVEMENTS

Oct. 25	Bank of England Index	Morgan Guaranty Changes %
Sterling	83.5	−7.7
U.S. dollar	126.0	+14.7
Canadian dollar	91.9	+0.9
Austrian schilling	117.5	+3.7
Belgian franc	90.7	−11.5
Danish kroner	80.3	−4.8
Deutsche mark	127.1	+8.0
Swiss franc	153.1	+13.1
Guilder	116.4	+4.9
French franc	67.6	−14.8
Lira	49.5	−11.5
Yen	153.3	+11.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.708776	0.577763
U.S. $	8½	1.06281	0.866182
Canadian $	9.45	*	1.06722
Austria Sch	3¾	19.4611	15.8511
Belgian F	9	56.3821	45.9466
Danish Kr	7½	9.99998	8.14861
D mark	4	2.76618	2.25381
Guilder	5	3.10553	2.53098
French F	9½	8.44943	6.87835
Lira	17	1682.95	1371.60
Yen	5	247.268	201.214
Norwgn Kr	8	7.79418	6.35801
Spanish Pta	—	160.718	131.079
Swedish Kr	8½	8.25122	6.73197
Swiss Fr	4	2.24685	1.83068
Greek Dr'ch	20½	N/A	90.9707

*CS/SDR rate for Oct 24: 1.30766.

THE POUND SPOT AND FORWARD

Oct 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4975-1.5010	1.4985-1.4995	0.03-0.08c dis	−0.44	0.16-0.21dis	−0.49
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc [illegible]. Six-month forward dollar [illegible]. 12-month [illegible].

* Oct 24—The rate should have read [illegible].

THE DOLLAR SPOT AND FORWARD

Oct 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc [illegible].

EXCHANGE CROSS RATES

Oct. 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.499	3.910	348.8	11.925	3.175	4.380	2375.	1.847	79.70
U.S. Dollar	0.667	1.	2.608	232.7	7.954	2.118	2.899	1584.	1.233	53.17
Deutschemark	0.256	0.383	1.	89.19	3.049	0.812	1.123	607.4	0.472	20.38
Japanese Yen 1,000	2.867	4.296	11.21	1000.	34.19	9.104	12.59	6810.	5.296	228.5
French Franc 10	0.839	1.257	3.280	292.5	10.	2.663	3.682	1992.	1.549	66.85
Swiss Franc	0.315	0.472	1.231	109.8	3.755	1.	1.383	748.0	0.582	25.10
Dutch Guilder	0.228	0.341	0.891	79.44	2.716	0.723	1.	541.0	0.421	18.16
Italian Lira 1,000	0.421	0.631	1.646	146.8	5.020	1.337	1.848	1000.	0.778	33.56
Canadian Dollar	0.541	0.812	2.117	188.8	6.455	1.719	2.377	1286.	1.	43.15
Belgian Franc 100	1.255	1.881	4.906	437.5	14.96	3.984	5.508	2980.	2.317	100.

FINANCIAL FUTURES

Gilts firm

Gilt futures finished on a firm note on the London International Financial Futures Exchange yesterday, boosted by higher cash prices. December delivery opened at 106-26, the lowest level of the day, and touched a peak of 107-09, before closing only slightly lower at 107-08, compared with 106-28 previously.

Good institutional demand was reported in the cash market, with sentiment helped by comments from the Abbey National Building Society about the possibility of lower mortgage rates, and the implication of lower inflation. Sterling's steady performance against the dollar, and its recovery against Continental currencies was also mentioned as an encouraging factor, but overall trading was very quiet.

December Eurodollars opened slightly firmer than the previous Chicago close implied. This level of 90.24 was the weakest point seen during the day however, and while movements were in a narrow range of 90.24 to 90.28 the market gained some support from a revision of estimates on this week's U.S. M1 money supply figures. This only tends to illustrate the recent difficulty in estimating such a volatile figure, and while some forecasts continue to range up to a rise of $1bn, others are pointing to a small fall.

The three-month sterling interest rate contract remained very quiet, following another day of static rates on the London money market, but among currencies the yen gained ground as the Japanese unit improved on the foreign exchanges.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.26	90.28	90.24	90.27
March	89.91	89.93	89.91	89.92
June	89.64	89.68	89.64	89.65
Sept	89.42	89.45	89.42	89.43
Dec	89.20	—	—	89.18

Volume 1,393 (2,264)
Previous day's open int. 7,698 (7,353)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.70	90.71	90.68	90.69
March	90.40	90.40	90.39	90.39
June	90.13	90.15	90.13	90.13
Sept	89.81	89.81	89.81	89.83
Dec	89.84	—	—	89.48

Volume 356 (677)
Previous day's open int. 5,217 (5,248)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	107-08	107-09	106-26	106-28
March	106-25	—	—	106-13
June	106-11	—	—	106-00
Sept	105-30	—	—	105-20
Dec	105-17	—	—	105-09

Volume 2,558 (3,877)
Previous day's open int. 2,140 (2,181)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 4 to 12 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.5010	1.5015	1.4980	1.4987
March	1.5025	—	—	1.5003
June	1.5040	—	—	1.5018

Volume 155 (104)
Previous day's open int. 1,480 (1,429)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3861	0.3867	0.3860	0.3854
March	0.3898	—	—	0.3890
June	0.3931	—	—	0.3923

Volume 57 (83)
Previous day's open int. 385 (391)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4765	0.4765	0.4764	0.4751
March	0.4826	—	—	0.4810
June	0.4888	—	—	0.4872

Volume 10 (9)
Previous day's open int. 111 (114)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4321	0.4328	0.4321	0.4303
March	0.4356	—	—	0.4338
June	0.4391	—	—	0.4373

Volume 15 (47)
Previous day's open int. 154 (159)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-30	71-06	70-18	71-03
March	70-14	70-21	70-01	70-17
June	69-26	70-05	69-18	70-01
Sept	69-10	69-22	69-06	69-19
Dec	69-04	69-12	68-28	69-08
March	68-26	68-27	68-17	68-30
June	68-18	68-18	68-09	68-22
Sept	68-07	68-12	68-02	68-15
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.09	91.11	91.02	91.07
March	90.70	90.72	90.64	90.68
June	90.42	90.44	90.37	90.41
Sept	—	90.20	90.18	90.18
Dec	89.95	89.98	89.95	89.97
March	89.75	89.77	89.76	89.76
June	—	89.57	89.56	89.56
Sept	—	—	—	89.40

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.39	90.44	90.35	90.40
March	89.96	90.01	89.92	89.97
June	89.64	89.68	89.59	89.65
Sept	89.40	89.42	89.36	89.41
Dec	—	—	—	—
March	—	—	—	—

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	—	90.02	89.93	89.97
March	89.59	89.65	89.56	89.60
June	—	89.36	89.27	89.32
Sept	—	89.11	89.03	89.09
Dec	88.82	88.88	88.82	88.87
March	88.63	88.65	88.63	88.64

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.4975	1.5010	1.4955	1.5015
March	1.4990	1.5025	1.4970	1.5030
June	1.5005	—	—	1.5045
Sept	1.5015	—	—	1.5055
Dec	—	—	—	—
March	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-13	68-21	68-08	68-12
March	67-13	67-21	67-08	67-13
June	66-18	66-25	66-18	66-18
Sept	—	66-03	65-27	65-29
Dec	—	65-17	65-10	65-12
March	—	—	—	—
June	64-16	64-23	64-16	64-18
Sept	—	64-15	64-06	64-08
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

MONEY MARKETS

All quiet on most fronts

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Domestic money markets remained very quiet in London, New York, and most Continental centres, apart from Frankfurt where large amounts of liquidity were drained for the second day running.

London interbank interest rates were virtually unchanged throughout the day in very dull trading, while in New York volume was again in the region of a record low, but may pick up today when the U.S. Treasury refunding programme is announced. Federal funds opened at 9 1/16 per cent, and remained at that level after the Federal Reserve rolled over Monday's injection of funds by supplying another $2.5bn of repurchase agreements for customer account.

The Bank of England forecast a money market shortage of £250m, but later revised this to £300m.

A fall in the note circulation added £57m in liquidity, but was outweighed by bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender amounting to £236m, plus Exchequer transactions of £80m.

Total help provided by the authorities was £306m. Before lunch the Bank of England bought £156m bills by way of £27m bank bills in band 2 (15-33 days maturity) at 9 per cent; £7m bank bills in band 3 (34-63 days) at 8 15/16 per cent; and £122m bank bills in band 4 (64-91 days) at 8⅞ per cent.

In the afternoon £105m bills were purchased, when the authorities bought £30m bank bills in band 2 at 9 per cent; £3m Treasury bills in band 3 at 8 15/16 per cent; £43m bank bills in band 3 at 8 15/16 per cent; £22m Treasury bills in band 4 at 8⅞ per cent; and £7m bank bills in band 4 at 8⅞ per cent.

Another £45m was provided by way of late assistance.

In Frankfurt call money was offered at 5.55 per cent compared with 5.50 per cent as between DM 3bn and DM 4bn continued to drain from the money market through expiring currency swaps.

LONDON MONEY RATES

Oct. 25 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8½-9¼	9-9⅛	—	—	9-9⅛	8-9⅛	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9 3/16-9¼	—	—	—	—
7 days notice	—	9⅛-9¼	9-9⅛	—	—	—	9-9⅛	—	—	—
One month	9¼-9 5/16	9 3/16-9¼	9¼	9¾-9½	9¼	9¼-9 5/16	9	9 1/32	9 1/32	9 11/32
Two months	9¼-9 5/16	9¼-9 5/16	9¼	9¾-9½	9 5/16	9⅜	9	8 15/16-8 31/32	8 31/32	9 13/32
Three months	9 5/16-9 7/16	9 5/16-9 7/16	9 5/16	9⅝-9⅜	9 5/16	9 5/16	9	8⅞	8 29/32	9 5/16
Six months	9 11/32-9½	9½-9⅝	9½	9½-9¼	9⅜	—	—	—	8 27/32-8 13/16	9 11/32
Nine months	9½-9 9/16	9⅝-9¾	9⅝-9¾	10-9¾	9⅝	—	—	—	—	—
One year	9 11/16-9 13/16	9¾-9⅞	9¾-9 13/16	9⅞-9⅝	9⅞	—	—	—	—	—
Two years	—	—	10⅛-10½	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive) 9.719 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years [illegible] per cent; five years [illegible] per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills [illegible] per cent; four months' trade bills 9⅜ per cent.

Approximate selling for one-month Treasury bills [illegible] per cent; two months [illegible] per cent; three months [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two months [illegible] per cent and three months [illegible] per cent; trade bills one month 9 17/32 per cent; two months [illegible] per cent; three months [illegible] per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from October 1, 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: [illegible] per cent.

Treasury Bills: Average tender rates of discount 8.8398 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 25	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. OCTOBER 25)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 5/8	offer 9 3/4	bid 9 3/4	offer 9 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	[illegible]
Treasury bills (13-week)	8.85
Treasury bills (26-week)	8.89

GERMANY

Lombard	5.5
Overnight rate	5.525
One month	5.80
Three months	6.10
Six months	6.15

FRANCE

Intervention rate	12.25
Overnight rate	12
One month	12.3125
Three months	12.3125
Six months	12.5

JAPAN

Discount rate	5
Call (unconditional)	6.15625
Bill discount (3-month)	6.34375

SWITZERLAND

Discount rate	[illegible]
Overnight rate	[illegible]
One month	[illegible]
Three months	[illegible]

NETHERLANDS

Discount rate	5
Overnight rate	[illegible]
One month	[illegible]
Three months	[illegible]
Six months	[illegible]

$ CERTIFICATES OF DEPOSIT

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

LONG TERM EURO $

Two years	[illegible]
Three years	[illegible]
Four years	[illegible]
Five years	[illegible]

SDR LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

ECU LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 25.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¼ 90	100	94⅛	94⅝	-0⅛	-0⅝	11.47
Bank of Tokyo 11 90	100	95⅜	95⅞	-0⅛	-0¾	11.98
British Col Hyd 10¼ 88	200	97	97½	-0⅛	-0½	11.03
Britoil Fin 11⅞ 90	125	100⅛	100⅝	-0¼	+0⅜	11.79
C.C.C.E. 11¾ 97	100	94⅛	94⅝	-0¼	-0⅝	12.61
C.C.C.E. 12⅝ 95	75	99⅛	99⅝	-0⅛	-0⅜	12.72
Can Imp Bk Com 11 90	75	92¾	93¼	0	0	12.54
Citicorp O/S 10⅝ 90	100	92⅞	93⅜	-0⅛	-0½	11.81
Citicorp O/S 11¾ 90	100	97½	98	-0¼	-0¼	12.24
Coca Cola Int 9⅞ 92	100	91⅝	92⅛	-0⅛	-0⅛	11.37
Cred Suisse BAH 10½ 90	150†	98⅛	98⅝	-0⅛	+0⅛	10.84
Den Norsk Cred 11¼ 93	50	93½	94	-0⅛	-0¼	12.37
Du Pont 11¼ 95	150	99⅛	99⅝	0	-0¼	11.33
E.C.S.C. 11⅞ 90	75	99⅜	99⅞	-0⅛	-0¼	11.93
E.D.C. 11¾ 87	100	100½	101	-0⅛	-0¼	11.58
E.D.F. 11⅛ 93	100	92¾	93¼	-0⅜	-0⅝	12.39
E.E.C. 11 87	350	98⅝	99⅛	0	+0⅛	11.35
E.I.B. 10¾ 93	200	92½	93	-0⅛	-0⅜	12.04
E.I.B. 11 91	125	95⅛	95⅝	-0¼	-0⅜	11.96
E.I.B. 11⅞ 93	150	98	98½	0	-0⅜	12.18
Electrolux 10½ 90	50	91¾	92¼	-0⅛	+0⅛	12.31
Enserch Fin 11⅝ 93	100	96⅛	96⅝	-0⅛	-0⅜	12.26
Fuji Int Fin 10⅜ 90	100†	93⅝	94⅛	-0⅛	-1	12.25
Gen Elec Credit 9¾ 91	100	91⅞	92⅜	0	+0½	11.31
GMAC O/S Fin 10½ 90	200	96⅞	97⅜	0	-0¼	11.14
GMAC O/S Fin 11⅞ 90	100	98⅜	98⅞	-0⅛	+0⅛	11.67
Honeywell Int 10¾ 90	100	97½	98	0	-0¼	11.23
Indust Bk Japan 10⅞ 88	100	97	97½	-0⅛	-0⅜	11.65
Japan Air Lines 10⅞ 98	42	92⅜	92⅞	+0⅛	-0⅜	11.96
Japan Air Lines 11 93	75	95⅛	95⅝	0	-0⅜	11.80
J.C. Penny 11⅞ 90	100	99½	100	+0⅛	+0¼	11.93
J. P. Morgan 11⅞ 90 WW	150	98	98½	-0⅛	-0½	11.74
Levi Strauss Int 11 90	75	96⅞	97⅜	0	-0¼	11.61
L.T.C.B. 10¾ 90	100	93⅜	93⅞	-0⅛	-0⅜	12.18
L.T.C.B. 12½ 90	65	102⅜	102⅞	0	-0⅜	11.91
Merrill Lynch 10⅝ 90	200	94¾	95¼	-0⅛	-0½	11.73
Mitsubishi Corp 10½ 90	100	94	94½	-0¼	-0¾	11.78
Mitsubishi Fin 11⅞ 90	100	96	96½	0	-0⅜	12.20
Nippon Credit 11 90	100	94½	95	-0⅛	-0⅜	12.17
O.K.B. 10 91	100	90½	91	-0⅛	-0½	11.91
Ontario Hydro 10¼ 90	250	94	94½	-0¼	0	11.51
Ontario Hydro 11¾ 90	200	100	100½	-0¼	-0¼	11.68
Pacific Gas & Elec 12 91	75	101½	102	0	-0¼	11.65
Prudential O/S 10⅝ 93	100	95⅞	96⅜	-0⅛	-0⅛	11.29
Prudential O/S 12¾ 87	150	104	104½	0	-0⅛	11.38
Saskatchewan Pr 10¾ 90	125	96⅛	96⅝	-0⅛	-0¼	11.56
Sears O/S Fin 11⅛ 93	150	98⅛	98⅝	-0⅛	0	11.91
S.N.C.F. 11½ 93	100	96½	97	-0⅛	-0⅜	12.07
Sth Cal Edison 10½ 90	75	96⅝	97⅛	0	-0¼	11.17
Sumitomo Fin 10⅞ 90	100	94¼	94¾	-0¼	-0¾	12.13
Texaco Capital 9¾ 90	150	92⅞	93⅜	-0⅛	-0⅜	11.38
U.B.S. 10 88	100	98⅜	98⅞	-0⅛	-0¼	10.36
U.B.S. 11 88	150	101⅛	101⅝	-0⅛	-0¾	10.67
World Bank 10⅞ 88	150	96⅝	97⅛	-0⅛	+0⅛	11.27
World Bank 11¼ 88	100	99¼	99¾	-0¼	-0⅛	11.36
World Bank 11½ 90	150	98⅜	98⅞	-0⅛	0	11.78
World Bank 12 93	200	99¾	100¼	-0¼	-0⅜	11.99

Av. price changes: on day -⅛, on week -⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7¾ 93	100	101⅛	101⅝	+0⅜	0	7.14
A.N.A.S. 8¼ 88	100	99⅜	99⅞	+0⅜	+0⅜	8.33
Arab Banking Corp 8 88	100	97¼	97¾	-0⅛	0	8.64
Austria, Rep 7⅝ 89	100	99½	100	0	-0⅛	7.67
Austria, Rep 8 93	100	101¼	101¾	+0¼	-0¼	7.76
Avon Int Fin 7½ 93	100	100¼	100½	-0⅛	-0¼	7.43
Beatrice Foods 7¾ 93	130	103⅝	104⅛	+0¼	+0⅜	7.19
B.F.C.E. 8¼ 90	150	101⅛	101⅝	0	0	7.94
Comp Tel Nac Esp 8¼ 93	100	96⅝	97⅛	-0½	-0¼	8.71
Dresdner Finance 4 90 WW	250	107	108½	0	+1½	2.71
Dresdner Finance 4 90 XW	250	83⅝	84⅜	0	-0⅛	7.88
E.C.S.C. 8 90	100	101¼	101¾	0	-0⅛	7.70
E.E.C. 8⅛ 93	250	101⅞	102⅜	0	0	7.97
E.I.B. 8 93	200	99½	100	0	+0⅛	8.03
Eurofima 7½ 90	100	100⅛	100⅝	0	0	7.39
Finland Rep 7½ 88	150	98⅞	99⅜	0	+0¼	7.68
Int Standard Ele 7¾ 93	100	101¼	101¾	0	+0⅜	7.52
Ireland 8⅝ 91	150	100⅜	100⅞	+0⅛	+0¼	8.51
Japan Dev Bank 7½ 90	100	100⅞	101⅜	+0⅛	-0¼	7.25
Kobe City 7 93	120	97	97½	+0⅛	+0⅛	7.48
L.T.C.B. 8 90	100	102½	103	+0⅛	0	7.48
Renault Acceptance 8 90	150	98⅛	98⅝	0	0	8.31
S.D.R. France 7⅞ 93	100	97⅛	97⅝	0	0	8.27
Sth African Tran 8⅛ 90	100	98⅞	99⅜	0	-0⅛	8.41
World Bank 7½ 90	250	97⅞	98⅜	0	0	7.86
World Bank 7⅞ 89	300	99⅞	100⅜	+0⅛	-0⅛	7.84

Av. price changes: on day 0, on week +⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bank of Tokyo 6 91	100	102¼	102½	0	0	5.61
Bergen, City of 5¾ 95	40	99	99¼	0	-0½	5.85
Denmark 6⅜ 91	100	103	103¼	+0⅜	+1	5.85
T.E.D.C. 5⅝ 91	100	100¼	100½	+0¼	+0⅛	6.31
E.D.C 6 93	100	100½	100¾	+0¼	+0¼	5.91
Europarat 6⅛ 93	100	98½	98¾	-0⅛	-0¼	6.31
Ex-Im Bk Japan 5⅝ 91	100	100	100¼	+0¼	+0½	5.60
Ind Fund Finland 6⅛ 91	40	100¾	101	-0½	-0¼	6.10
Int-Am Dev Bk 6 93	100	97⅞	98⅛	-0⅛	-0⅛	6.27
Int-Am Dev Bk 6⅛ 93	100	100¼	100½	-0⅜	-0½	6.07
Japan Dev Bank 5⅝ 93	100	102	102¼	+0½	+0⅞	5.59
Kansai Elec Power 6 91	100	102¼	102½	+0½	+0½	5.60
Kawasaki Steel 6⅛ 91	100	101¼	101½	+0⅛	-0¼	5.89
Manitoba Prov 5½ 93	100	100½	100¾	0	0	5.42
Montreal Urban 5¾ 93	100	101	101¼	0	-0¼	5.59
Mount Isa Finance 6 93	100	101¾	102	-0⅛	-0½	5.74
NTG Bk Denmark 6¼ 91	80	96¾	97	-0¼	-0¼	6.77
New Brunswick 5¾ 93	100	101½	101¾	+0½	+0½	5.53
Nisshin Steel 6⅛ 91	100	99⅞	100⅛	-0⅛	-0⅛	6.24
Osterr Draukraft 6 93	100	102⅜	102⅝	+0⅛	-0⅛	5.65
Osterr Post 6⅛ 91	100	102¼	102½	-0⅜	-0¾	5.73
Sumitomo Heavy Ind 6 91	100	100	100¼	+0¼	+0⅜	5.96
Sumitomo Metal Ind 6 91	100	101	101¼	+0⅜	+0¼	5.81
Tokyo Elec Power 5⅞ 91	100	101	101¼	+0⅛	+0½	5.69
Trizec Corp 6⅛ 93	100	101	101½	+0⅛	+0⅛	5.96
World Bank 5⅝ 93	100	98¾	99	-0¼	+0¼	5.78

Av. price changes: on day +⅛, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	104¾	105¼	0	+0¼	7.81
E.I.B. 8¼ 92	15	102⅝	103⅛	0	0	7.75
Japan Airlines 7⅞ 87	9†	101¾	102¼	0	0	7.07
New Zealand 7⅞ 89	15	102⅛	102⅝	0	+0¼	7.89
World Bank 8⅜ 92	20	103⅝	104⅛	-0⅛	-0⅛	7.74

Av. price changes: on day 0, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 CS	75†	98¾	99¼	-0⅛	-0⅛	12.46
Norcen 12¾ 93 CS	80†	96⅝	97⅛	+0⅛	0	13.32
TD MTG Corp 12½ 88 CS	40†	100½	101	+0¼	-0⅛	12.27
Quebec Hydro 12¾ 93 CS	50†	100⅛	100⅝	-0⅜	0	12.67
Royal Trstco 12⅝ 88 CS	50†	99⅝	100⅛	+0⅛	-0⅛	12.65
World Bank 12¼ 90 CS	75†	99¾	100¼	0	+0¼	12.25
Xerox Canada 12 88 CS	40†	102	102½	0	-0¼	11.35
E.E.C. 11¼ 93 ECU	70	100	100⅜	+0⅛	-0½	11.18
Genfinance 11 90 ECU	60	98½	99¼	0	-0⅜	11.23
Algemene Bank 8¾ 88 Fl	150	100⅝	101⅛	0	0	8.51
Bank Mees & Hope 9 88 Fl	75	101½	102	-0¼	+0¼	8.54
Elect Sup Brd 8⅞ 88 Fl	75	97⅞	98⅜	0	+0⅛	9.24
P.H.P. 8¾ 88 Fl	50	100½	101	0	+0⅜	8.54
Swed Exp Cred 7¾ 88 Fl	100	96⅛	96⅝	0	+0⅛	8.75
World Bank 9 88 Fl	100	102⅛	102⅝	-0¼	-0¼	8.37
O.K.B. 14 86 FF	400	100½	101½	+0⅛	0	13.37
Solvay & Cie 14¾ 86 FF	200	101½	102½	0	-0⅛	13.88
B.F.C.E. 11½ 88 £	50	98¼	99	+0⅛	+0¼	11.86
British Oxyg 11¾ 91 £	50	100⅛	100⅞	0	0	11.61
CEPME 11¼ 95 £	35†	98⅞	99⅝	0	-0⅜	11.41
CIBA-Geigy Int 6¾ 93 £	25	97⅛	98⅛	-0½	-0½	7.09
E.E.C. 11⅞ 91 £	50	100⅞	101⅛	0	+0½	11.71
E.E.C. 11⅞ 93 £	50	100⅝	101⅛	+0⅛	+1	11.74
Fin For Ind 10½ 90 £	20	94⅝	95⅛	+0¼	+0¼	11.66
Finland Rep 11⅞ 88 £	50	99⅝	100⅛	+0⅛	+0¼	11.93
Fin Mat Oranj 12⅝ 92 £	30	102¼	103	+0¼	+0¼	12.13
Gen Elec Co 12½ 89 £	50	102⅜	103⅛	+0⅛	+0⅛	11.81
I.F.I. 10⅝ 93 £	25	93¾	94½	+0⅛	+0⅜	11.78
Mort Bk Fin 11¾ 89 £	15	97	98	0	0	12.35
Norsk Hydro 12 90 £	30	101⅝	102⅜	+0⅛	-0¼	11.58
Sweden 11¼ 93 £	50	96½	97¼	+0¼	+0¼	11.79
Swed Exp Cred 11⅝ 88 £	30	97½	98¼	+0⅛	0	11.83
World Bank 11½ 88 £	100	97⅞	98⅝	0	0	11.58
Euratom 11 93 LuxFr	500	102⅛	103⅛	0	+0½	10.52
Europarat 10¾ 93 LuxFr	600	102½	103½	0	0	10.22

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5⅛ 88	0¼	99¾	100	28/1	10.18	10.19
Caisse Nat Tels 5¼ 90	0¼	99⅝	99⅞	21/4	10	10.05
C.C.F. 5¼ 95	0¼	99½	99¾	7/4	9.94	9.97
C.C.F. 5¼ 98	0¼	99⅞	100⅛	24/3	10.19	10.19
Cepme 5¼ 88 WW	0¼	99⅝	100⅛	3/12	10.56	10.57
Cepme 5⅛ 92	0⅛	99¾	100	19/12	10½	10.51
Chemical NY 5¼ 94 ††	0⅛	100⅝	100⅞	23/12	10	9.95
C.N.C.A. 5⅛ 95 XW	0⅛	99¼	99½	7/12	10	10.06
C.N.T. 5⅛ 91	0⅛	99¼	99½	6/11	9¼	9.31
Credit Agricole 5⅛ 97	0¼	99½	99¾	24/3	10.31	10.35
Credit Lyonnais 5¼ 94	0⅛	99½	99¾	5/1	10.31	10.35
Credit Lyonnais 5¼ 97	0¼	99½	99¾	1/4	10	10.04
Credit Nat 5¼ 94	0¼	99⅝	99⅞	9/3	10⅝	10.78
Denmark Nat 5¼ 90	0¼	99⅝	99⅞	13/4	10	10.05
E.D.F. 5¼ 95 XW	0¼	100	100¼	10/2	11⅜	11.38
E.E.C. 5 90	0⅛	99⅞	100⅛	5/1	10.15	10.16
Konsallis Osaka 5⅛ 92	0¼	100⅛	100⅜	6/11	9½	9.48
Long Term Cred 5¼ 92	0⅛	100	100¼	27/11	9¾	9.74
J.P. Morgan 5¼ 97 S	0¼	100¾	101	12/11	10.81	10.72
New Zealand 5⅛ 87	0⅛	100⅛	100⅜	7/4	9⅝	9.65
NZ Steel Dev 5⅛ 92	0¼	100	100½	22/12	10¼	10.22
Nippon Credit 5¼ 90	0⅛	100½	100¾	10/2	11⅛	11.10
Soc Generale 5¼ 90 XW	0¼	99⅝	99¾	9/11	9⅛	9.17
Société Générale 5⅛ 95	0¼	99⅞	100⅛	1/3	10.31	10.31
Sweden 5¼ 89	0⅛	100¼	100½	26/2	10.10	10.15
Sweden 5¼ 93	0¼	100⅜	100⅝	3/2	11.10	11.13

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	115¼	116¾	+0¾	1.81
Canon 7 97	7/82	748.2	202¼	204¼	+3¾	9.03
Daiwa Sec Co 5½ 98	10/83	508	95½	96¾	-0¼	1.24
Hitachi Cable 5¾ 96	2/82	515	106	107½	+0⅜	5.70
Honda Motor 5¼ 98	6/83	884	116	117	+2	1.65
Honda Motor 5½ 97	3/83	759.6	134⅝	136⅝	+2¼	1.12
Kumagai Gumi 6½ 97	10/82	460	133½	135	+0½	1.20
Kyowa Hakko 6¼ 97	2/83	782	104½	106	-3¾	3.56
Minebea Co Ltd. 5½ 98	5/83	667	114⅜	115¾	+0⅜	-0.77
Mitsubishi Electric 5¾ 98	6/83	396	110	111	+0¾	3.83
Nippon Electric 5¼ 97	2/82	785.8	162⅛	164⅛	+0⅜	1.15
Nippon Oil Co 5½ 98	4/83	964	121⅛	122⅞	-0½	-1.77
Nissan Motor 5¾ 98	4/83	770	101¼	102¼	+0⅜	9.86
Olympus Optical 6¾ 97	12/82	1331	100⅞	102⅜	+0⅜	4.42
Orient Finance 5¼ 97	3/82	927.2	94⅞	96¼	-0⅜	3.37
Orient Leasing 5¼ 98	8/83	2880	94⅞	95⅞	+0⅜	8.68
Secom 5 98	11/83	2928	117½	119	-1	-1.54
Sumitomo Electric 5½ 97	3/82	577.3	114	115½	+1⅜	0.81
Yamaichi Sec Co 5 98	8/83	472	95⅝	97⅛	-0⅜	0.82
Yamanouchi Pharm'cal 4 98	10/83	1909	93⅜	94⅜	+0⅛	9.59
NEC Corp 3½ 93 SF	6/83	978	136½	138	+2¼	0.27
Settsu Paper 3⅝ 93 SF	9/83	716	102¼	103¼	+0½	10.87
Asics 5 92 DM	12/83	520	106½	107¾	0	10.80
Konishiroku 6¾ 88 DM	8/82	616	119	120	+1⅛	4.42
Sam Realty 6¼ 92 DM	2/83	365	119⅝	120⅝	-2	-6.30

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. — current coupon. Cu. yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Argentina fails to meet loan condition

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA has failed to meet conditions imposed by its creditor banks for drawing a $500m loan instalment before its elections next Sunday.

The drawing, which was to have taken place on Friday, has now been formally postponed. It was to have been the first instalment of the $1.5bn loan committed to Argentina by its 300 bank creditors as part of the country's debt rescue package.

The advisory committee of creditor banks, chaired by Citibank, was meeting in New York last night to set a new date for the drawing as uncertainty mounted about how the country will handle its debt problems after the election.

Sr Jorge Wehbe, Argentina's Economy Minister, said last week that the country would proceed with arrangements to reschedule $6bn in public sector debt. One condition for the drawing on Friday was the signature by at least one state agency of a refinancing package.

But as economic nationalism spread through the country ahead of the elections, it has proved impossible to push through any agreements this week. As a result, several other transactions related to the loan drawing will also have to be put back, possibly by about a month.

This has raised fears in the banking community that Argentina will be declared in breach of its International Monetary Fund loan agreement before the loan can be drawn.

Dart and Kraft bond carries 3M warrants

BY OUR EUROMARKETS CORRESPONDENT

DART AND KRAFT, the U.S. food products group, is raising $85m in the Eurobond market through an issue of "exchangeable units" carrying warrants allowing investors to buy shares in Minnesota Mining and Manufacturing (3M).

Led by Morgan Guaranty and Goldman Sachs, the 15-year units are expected to bear a coupon of 7½ per cent to 7¾ per cent. The warrant exercise price will be 15 to 19 per cent over the (3M) share price on November 2, when the deal is finally priced.

Dart and Kraft can offer warrants to buy (3M) stock because it holds the shares as a result of a previous subsidiary sale to the diversified industrial group. Neither the warrants nor the bonds are callable and the bonds can be used as payment for the stock.

Despite its rather complex structure, the deal is thus akin to a non-callable convertible issue which is intended to appeal to bond investors looking for equity-linked paper.

It was the only new issue to be launched yesterday in a dull market, where fixed rate Eurobonds shed a further ⅛ point. Continental markets were also little changed. In Switzerland, Ireland has been awarded a 6½ per cent coupon and par issue price for its ten-year, SwFr 80m bond led by Paribas (Suisse).

FINANCIAL TIMES SURVEY

Selby Coal Field

This huge £1bn superpit, designed to feed 10m tonnes of coal a year to three power stations, will enable the NCB to produce coal with great efficiency and compete strongly with other forms of energy

The 160-acre Gascoigne Wood site, where the field's entire output will be brought to the surface. In the foreground are the two drive houses for the conveyors, containing 12,000 hp electric motors and, background, the 300m-long covered stockyard.

By NICK GARNETT

THE FIRST production coal emerged this summer from the world's most modern mining scheme, which will develop eventually into the largest in Western Europe.

By the time the 110 square mile Selby field in rural North Yorkshire reaches peak production in 1987-88, just 4,000 men will be producing 10m tonnes of coal a year—a twelfth of the National Coal Board's total current output.

The Selby development, one drift mine and five satellite mines, will extract half of the 600m tonnes in the Barnsley Seam, at a cost of more than £1bn at 1982 prices.

It is by far the most expensive investment ever undertaken by the Coal Board and has meant overcoming some of the most awkward geological conditions ever tackled by mining engineers in the UK.

The difficulties that these conditions pose was shown in July when, within four weeks of starting production at the Wistow mine, water under considerable pressure burst into the A1 face at the rate of up to 2,500 gallons a minute. Either coal extraction had disturbed the plane of the fault that engineers knew was there or the speed of the face's advance had caused the rock to behave in an unpredictable manner.

That crisis halted production for more than six weeks. It demanded a huge effort under the direction of Mr Trevor Massey, deputy area director in direct charge of Selby, to restart work at the face and adapt it to cope with water which is still pouring into the seam.

The Selby scheme is a centrepiece in the Coal Board's struggle to get a grip on its massive cost problems. It is a battle that Mr Ian Macgregor the board's new chairman, will now pursue more vigorously.

Selby reflects a number of themes:

● It represents a leap forward for Britain's coal industry and a shift in its development. Selby might be the precursor of a series of super pits as the board accelerates the shutdown of heavy loss-making capacity.

With the Coal Board registering a loss last year of £475m before grants, the industry sees Selby as the first complete demonstration of its ability to produce coal at a very high rate of productivity and at low cost in its fight to compete with other energy sources. Selby's output per manshift is expected to be up to five times greater than the current national average.

● The Selby scheme is also a shop window for Britain's advanced technology in coalfield development and mining. From the task of sinking shafts and driving tunnels in difficult geological conditions to the extensive use of micro-computers and the most advanced mining and coal handling equipment, Selby is the most comprehensive collection of the best mine technology anywhere in the world.

Marketing

Construction and engineering companies from the UK and elsewhere will utilise it as a marketing plank on which to advertise their expertise. The The Coal Board too will use the scheme to promote its already well-regarded consultancy work abroad based on its ability as a mine developer.

● Selby has broken new ground in environmental protection, in part the result of growing public intolerance to unsightly devastation. The Coal Board, achitects and consultants. have responded to the challenge and many of the surface installations, including the shaft housings, blend as far as is possible with the landscape.

Environmental considerations have also partly governed the decision of local authorities and the Coal Board to disperse miners' families across the area rather than congregate them in obstrusive new housing estates.

● Finally, the National Union of Mineworkers has fully supported the project and recently shown a willingness to enter broader talks with the board on the industry's problems. However, Mr Arthur Scargill, the union's president, has indicated a wish to move the NUM towards a policy of halting output at the most productive pits like Selby in any confrontation with management over the pace of closure of the least productive ones.

Selby, whose coal will go principally to the nearby Drax, Ferrybridge and Eggborough power stations, is part of the £4bn investment programme run by the board since 1974. The assumption of a required increase in capacity on which that programme was based has proved to be too optimistic however.

Total UK coal stocks now represent more than 40 per cent of the Coal Board's annual output of 118m tonnes. The Board's own stocks stand at 24m tonnes with 26m held by the Central Electricity Generating Board and manufacturing industries.

Mr Norman Siddall, the previous NCB chairman, said in the spring that he expected sales this year to drop by 4m tonnes, equivalent to the output of eight medium-sized pits. The Coal Board has also been forced recently into a price structure compromise with the CEGB which increases cost pressures on the coal industry.

One response to all this has been an accelerating programme of pit closures with the Board on target to shut at least 16 pits this year. On the other side of the fence will be a push for new markets and projects such as Selby.

Mr Michael Eaton, director of the board's North Yorkshire Area, says that ultimately the industry will have to compete on its ability to produce coal at competitive low cost and that super pits such as Selby will become important factors in maintaining the industry's viability.

At Selby itself, coal output per shift for every man employed underground and on the surface is expected to be 12.7 tonnes as against about 2.3 tonnes for the UK national average. Production costs will run at about £18 a tonne with only 20 per cent of that deriving from labour costs as against 50 per cent in a typical pit. Net profits will be about £17 a tonne, more than three times better than the best at the moment—at Kellingley, Yorkshire.

The existence of the Selby field was missed by coal explorers in the early part of this century; it was in the 1960s that the presence of a rich new coalfield was established. Surveys revealed five good seams containing 2,000m tonnes of coal, all at workable depths. Planning permission work the Barnsley Seam — with half its coal to be left underground to support the land surface — was obtained in 1976 and work began that year.

The depth of the Barnsley Seam varies from 250 metres in the west to 1,100 metres in the north-east of the field, which in geographic area is as big as the Isle of Wight. The seam's thickness varies from 2 to 3.3 metres.

Emerge

The five satellite mines — Wistow, Riccall, Whitemoor, Stillingfleet and North Selby—are vertical shaft pits down which men and materials will be moved. Each of these pits will work four coal faces. The coal itself will be extracted through the two drift tunnels emerging at the 150-acre Gascoigne Wood site by high-capacity conveyors 15 km long. From here trains will be loaded every half-hour day and night with 1,000 tonnes of coal for hauling to the power stations.

The Coal Board has developed its own computer software for controlling and monitoring a considerable number of operations. MINOS (mine operating system) has been in use at other mines but Selby's is by far the biggest.

More than 70 contractors have been involved at Selby and it has demanded extensive management stills to dovetail their activities. Companies involved in the project make up a distinguished roll call—in construction, names such as French Kier, McAlpine and Dowsett, and in the shaft sinking and tunnel driving Thyssen GB and Cementation Mining. Anderson Strathclyde and Cable Belts supplied the ocnveyor systems, Davy McKee, Parsons, Cleveland Bridge, GEC, and Hawker Siddeley among others providing equipment and skills.

A very large proportion of the miners who will work Selby are not local but coming from pits in other parts of Yorkshire which are closing or running down manpower. There are 1,200 NCB employees working on the field so far.

Some strains on labour relations have emerged as managers and NUM representatives flex their muscles and people get used to operating in a new environment. Development work earlier this year was temporarily hampered by overtime bans related to the setting up of the first production targets and the operation of procedures.

Such difficulties are probably inevitable and certainly happened at Kellingley in the 1960s. The "settling down" time for new mines is often five or six years, but Mr Eaton says: "I'm confident that this will be shorter at Selby."

For North Yorkshire, the project means a stimulus to the local economy, some new jobs—from canteen staff to mining trainees—and the long-term need to cater for the employment of miners' dependents. For the Coal Board it is an opportunity to show that coal can still be a competitive fuel.

SELBY COAL FIELD II

Huge task to drive tunnels and shafts

THE SPEED at which the shafts at Selby have been sunk and the tunnels driven and the success of contractors in overcoming some very difficult geological problems, have been one of the major achievements of the whole coalfield project. This is not to say there have been no big headaches—and one crisis—during an operation which employed 1,500 workers at its peak.

Though the technology involved has been long developed, the prospect of sinking 8,000 metres of shafts and eventually two nine-mile (15 Km) tunnels must have appeared daunting for an industry which has not done much shaft sinking for a long time.

So far, about 7,000 metres of shaft have been sunk with four of the five pairs of vertical shafts at the separate mines virtually finished. Some 6,600 metres of the North Drift tunnel have been completed and more than 6,500 metres of the South Drift. Eight of the ten insets which link shafts direct to the Barnsley Seam to handle equipment and ventilation have also been finished.

Dealing with the area's awkward geology has been the trickiest hurdle for the two main contractors, Thyssen UK and Cementation Mining. Much of the strata through which the Selby tunnels and shafts pass contain huge amounts of water, often under great pressure. There are also some basal sands which complicate matters further by being almost "running" sands with no solidity.

Taking the shafts first, the technique adopted to overcome the problem of water was to literally freeze the ground, creating an ice wall to exclude the vast volumes of water in the high local water table. This freezing process has been handled on a scale and at a depth never attempter before.

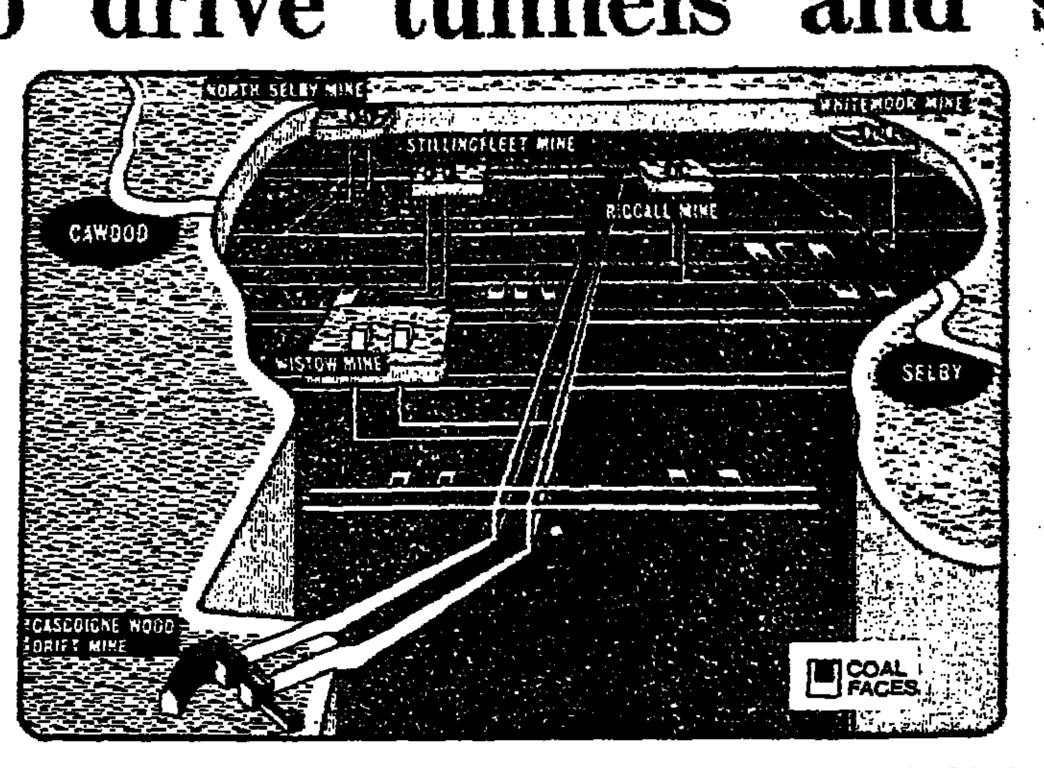
A collar of vertical boreholes are drilled around the perimeter of the 24-ft diameter shafts. Each hole is lined with steel tubing in which is a second, plastic tube.

A freezing plant on the surface then pumps brine cooled to between —20 deg. C and —30 deg. C down through the tubes, forming a solid plug of ice some 30 feet in diameter at the depth at which the water-bearing strata is located. The freezing process can take three months with a similar period for unfreezing.

As the shafts advance downwards they have been lined with concrete up to 1.3m thick, possibly the strongest hydrostatic lining used anywhere in the world.

Until the ground is frozen the shafts cannot be sunk, but once done there is a critical time period for stabilising the shaft with concrete before the unfreezing process begins.

This was missed at the Wistow mine creating the project's only real crisis before this year's Wistow flooding. In June 1979, the Number One shaft at Wistow flooded while the ground was being thawed. The problems presented a major engineering challenge and were overcome by firing armour-piercing bullets into the freezing tubes. Some 4,000 tonnes of cement grout was then injected through the holes and into the strata until it was sufficiently hard for water to be pumped out of the shaft.



The incident delayed development at Wistow by six months.

Another big headache occurred at the North Selby mine, which has a sandstone bed within the coal measures themselves. Contractors were surprised to find water at 750 lbs per sq ft pressure. The mine — at a depth of 1,044 metres—was too deep for freezing but the sandstone is not strong enough to withstand the pressure needed for injecting cement.

The solution was a form of cover grouting with the insertion of a cylindrical shaft of reinforced concrete 16 ft thick a third of a mile below the surface. This contained 540 cu metres of concrete with banks of angled holes drilled through into the aquifer. The basal sands at Riccall also necessitated injection of cement.

The shaft have been sunk with explosives and some of the speed of advance has been very high. Thyssen believes it has set a European record by sinking 131.2m in a 31-day period at Whitemoor.

Meanwhile, work has been travelling apace on the drift tunnels which surface at Gascolgne Wood. These tunnels pass through water-bearing strata at an angle of 1 in 4 then level off at a depth of 190 metres to become underground spine roads—the principal arteries of the coalfield running like subterranean motorways diagonally across the field for 15 kms. Along them 70 metres below the Barnsley Seam, the coal is being brought up by conveyor.

With water lying very close to the Plain of York's surface, the drift tunnels were begun in an open cut dewatered by 60 pumps. A Dosco Roadheader, an adapted coal tunnelling machine made by one of the clutch of Hawker Siddeley companies involved with Selby, was operated inside a tunnelling shield. This included equipment for setting in place the tunnels' circular iron lining. Hundreds of tons of cement grout were pumped behind the cast iron "tubbing" to make the tunnels waterproof.

Further down, the problems of artesian water were tackled by a continuous series of two-stage lurches. Grouting from within the tunnel was carried out for a distance of 30 metres, the holes pumped with cement. Once this was set and the water flow under control, the tunnel was then advanced for 12 metres. Grouting on a further 30 metres was done before driving the next 12 metres of tunnel. This operation was repeated more than a dozen times in each of the two drifts.

Driving two tunnels of the length required for Selby has involved the kind of machinery which excites the imagination of children.

The North Drift is being driven by a beefed-up version of a conventional mine roadway heading machine. In this case it is a 200 hp Titan tunneller manufactured by Thyssen which has maintained an average advance of 44 m a week.

Operations were halted in the South Drift, however, to allow for the installation of a £3m full-face tunnelling machine—a Robbins Miner built by Robbins USA in Seattle.

This machine, which weighs 240 tonnes, was shipped to the UK in kit form. A huge underground chamber 40 metres long and 8.5 metres high was excavated to provide sufficient space for its erection. The machine, steered by a laser beam, delivers 900 hp at the circular cutterhead which has a diameter of 5.8 metres. The whole face of the machine revolves, grinding away at the rock face with 42 roller cutters.

The NCB is fond of describing the size of the Robbins and its trailing support equipment with a railway train. The materials train system which services the heading operations is locomotive-driven and has a 15 tonnes payload. The average advance for the Robbins is 90m a week which is a high-speed effort in tunnelling terms.

The quality of the drift tunnels has pleased the NCB. Mr Trevor Massey, the mining engineer in direct charge of the Selby development, says they are leaking just one gallon of water a minute. "That's dry as far as we are concerned."

Boosted productivity the target

SELBY'S FIVE MINES, each with four faces, are expected overall to produce coal at about five times the current national productivity average for British mines. The target is an average 12.5 tons of coal for each miner every shift.

This high productivity can be achieved because of four factors. These are the thickness and quality of the Barnsley seam; the use of longwall retreat mining which is naturally productive and allows management to obtain much information about the coal before operations begin; utilisation of the most modern and automated coal-cutting shearer loaders with hydraulic supports; and innovations in material handling linked to the supporting drivage network.

This latter point is a crucial element of Selby's operation because for every metre of coal-face retreat close on three metres of in-seam tunnelling or drivages are needed. "The speed of retreat mining is governed by how good your support drivages are and how you handle materials," says Mr Trevor Massey, the NCB's deputy area director.

The one worrying factor is that no one can guarantee that the flooding which paralysed the A1 face at Wistow for almost two months will not strike elsewhere in the field.

The Barnsley Seam is in bands up to 11 ft thick and the coal is clean with very little if any waste rock mixed with it—ideal for longwall retreat mining.

This form of mining involves the driving of access roads to coal blocks which are up to nearly 2 km in width. The faces are opened at panels of coal 1,000 metres long on each side of the main roadways. The coal cutter then makes its way backwards from the furtherest extremity down the line of the access roads.

One advantage of this retreat mining is that the driving of a complete network of access roads prior to production provides mine managers with a clear perspective of the whole mining layout. It also removes the congestion with drivage gangs at the end of coal faces associated with advance longwall mining.

Selby is heavily indebted to the coal board's advanced technology mining concept. This involves the drawing up of an integrated design for all the coalface equipment and its control gear.

The equipment on each face will cost about £4m. The basic machine is the shearer loader—the most modern answer to the pick and shovel. With this comes hydraulic roof supports—replacing the old pit props.

At the A1 coalface at the Wistow mine—the first face in the Selby coalfield—the shearer loader is an Anderson Strathclyde A/S 500 which holds a number of production records around the world. It is a double-ended drum shearer fitted with two 72-inch cutting drums, which have hardened steel picks. The complete machine with drums revolving and biting into the coal is hauled along the length of the coalface on a track above the face conveyor.

The 400 hp shearer cuts the coal like a bacon slicer removing a 700-millimetre web of coal from the 2.5-metre thick face on each run. Each complete "strip" of the face will yield 252 tonnes of coal every 25 minutes though the total cycle will take 77 minutes. Estimated average output per face is 2,000 tonnes a day with a productivity of 44 tonnes per manshift worked.

Operations on the face will be carried out by just seven men working in what is in effect a protective cocoon of steel, thanks to major improvements in shield support. Dowty has supplied four 450-tonne heavy-duty shield supports with advanced remotely-operated control equipment.

Each powered support possesses a micro-processor control box with push buttons replacing conventional hydraulic valves for the various chock operations. The operator pushing buttons on a specific chock will be activating a chock at a predetermined distance away so ensuring that he can remain at a safe distance from moving machinery.

Twenty to 30 tons of coal can drop off in front of a face in some mining operations but the coalface equipment at Selby is designed to remove the serious safety problems that can generate. The Coal Board says that, overall, setting the supports is one of the mining engineers' biggest challenges.

The main task of the shearer loader's driver is to keep the cutting head in the coal, ensuring that it does not deviate into the rock strata above and below the seam.

New technology developed by the NCB's mining research and development establishment and the GEC subsidiary Salford Electrical Instruments has provided the shearer with a micro-processor. This is a natural gamma ray monitor sending out a beam which bounces back from the seam to give instructions for the cutting face.

In terms of the coal-cutting operation, the NCB at Selby has taken the latest proven equipment and will be assessing over the next few years just what it can do. The coalfield management though has introduced a new philosophy for designing and operating the supply lines to the face. This

CONTINUED ON NEXT PAGE

The five pits with their four faces will produce a total 2,000 tonnes a day

Highly-automated coal handling on a big scale

IT TAKES 90 minutes for a piece of coal to reach the power station after being cut from the first productive pit in the Selby coalfield where it has lain for the past 300m years.

The handling of this coal, between the pit faces and the British Rail wagons—is the central feature of the whole Selby project, underpinning the NCB's hope that it will be five times as productive as the mining industry's national average.

When fully developed toward the end of the 1980s, the Selby field, covering an area as big as the Isle of Wight, will be worked from five separate mines. The coal, which is so rich that it does not require washing, will be conveyed along two underground spine roads nine miles long and 70 yards apart. At their western end, they emerge through parallel drift tunnels into the 158-acre stocking and railway marshalling site at Gascoigne Wood.

Simple

In outline, the Selby concept of bringing all the coal to the surface through drift mines at a single site, was simple enough to have been worked out by Yorkshire Coal Board officials on the proverbial "back of an envelope." In practice, because of the scale of the project, it skirts the edges of new technology.

Many of the technical achievements can be viewed by tracing the route taken by the coal until it reaches the merry-go-round wagons which serve the power stations.

When the project is fully developed, this journey will take far longer than the 90 minutes quoted above. The present estimate applies to the first coal now being produced at Wistow, three miles from Gascoigne Wood.

It takes into account the 40-minute underground ride from the Wistow face to the railway loading bunker, about 15 minutes to load the first trains, and the 35-minute rail journey to Ferrybridge power station.

Currently, too, the coal arriving at Gascoigne Wood is going directly on to the trains. But when production builds up large quantities will be piled in the covered stockyard, which looms over the quiet rural site like the shed of a major main line railway station.

Each of the five pits is to have four faces, from which coal is to be sheared and removed at the rate of 2,000 tonnes a day.

After being broken into eight-inch chunks, the coal will be conveyed through the mine tunnels to the main staple shaft bunkers. There are 11 of these situated at various points over the two spine roads.

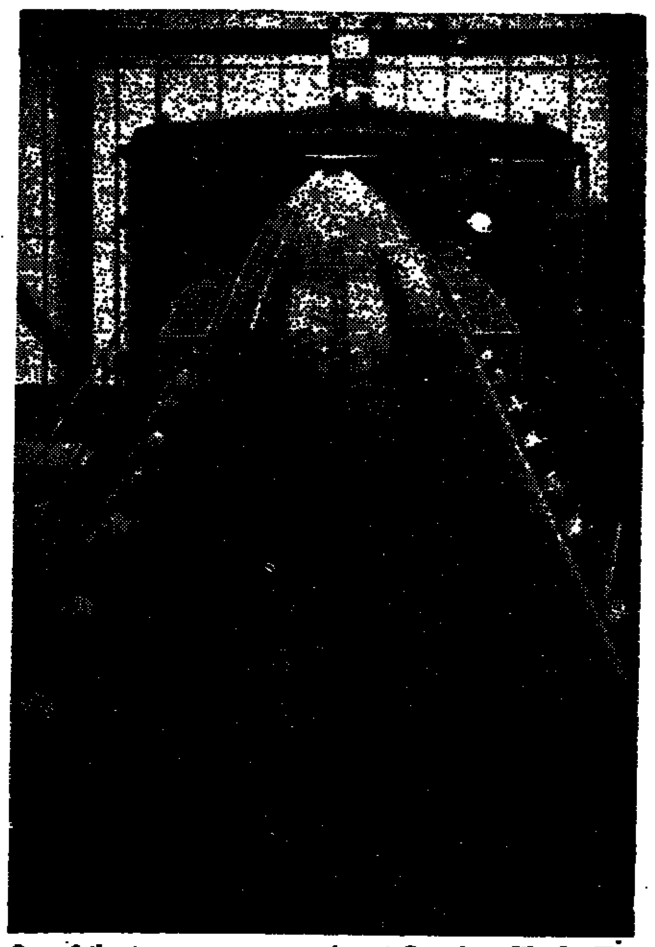
Here the coal will be crushed again, to a maximum diameter of two inches, and then discharged at the rate of 75 tonnes an hour on to the accelerating conveyors on the spine roads below.

This complex operation will be aided by a computerised control system, called MINOS, developed by the Coal Board in other parts of the industry. The hardware for the MINOS system at Selby is provided by Westinghouse and is designed to ensure maximum use of the staple bunkers, controlled feed of the coal, and efficient energy consumption.

Because of the experimental scale of the project, two different conveying systems are being used in the spine roads. Their respective performances will be carefully monitored and compared.

The belts, 18 miles in length, will each have to be strong enough to cary 2,000 tonnes of coal an hour and to support the coalfield's entire output should the other belt be stopped. They will move at 20 mph, three times faster than those used in most other mines.

The South Drift conveyor has been designed by Anderson Strathclyde, of Glasgow, in conjunction with its French associate REL While Anderson is the main contractor for the belt, it has been manufactured by BTR Belting of Leyland, Lancs.



One of the two conveyers running at Gascoigne Wood. The belts will move at 20 mph, three times faster than conveyors in most other mines

It is made of flameproof PVC reinforced by steel cords and will be driven directly by the propulsion machinery, like a car fan belt, and will rest on idlers when loaded. It has a guaranteed working life of about five years.

Among its novel features is a method of attaching new lengths of belt by a vulcanising process. This permits the belt to be extended as the more easterly pits are brought into the Selby system. The additional sections, 418 metres long, come on reels weighing 43 tonnes.

The North drift conveyor will run on a different system patented by Cable Belt of Camberley, Surrey. Instead of the belt being directly driven by the winder motors, it will be propelled on twin steel cables. The belt will have moulded grips, or shoe forms, which sit on the cables. When loaded it sags to the required depth and has no need of idlers on which to "trough."

The first stage of the South Drift conveyor is nearly ready to operate but work on the North Drift's cable belt is in the early stages with only the foundations of its drive unit at Gascoigne Wood completed.

Casting

The drive units for both conveyors, the world's largest in electrical power terms, are being built by GEC Electrical Projects. The two motors on the Southern conveyor are rated at 6,200 kilowatts each. The conveyor's drive roller, which cost £250,000, weighs 120 tonnes and is made by the British Steel Corporation from a single casting.

Another illustration of the scale of the operation is that it is impossible to stop the conveyors dead: it takes 48 seconds to bring them to a halt during which 80 tonnes of coal "surge" to the surface.

When it emerges at Gascoigne Wood, where the conveyor motors are located, the coal is now two thirds of a mile higher than its lowest collection point underneath the coalfield. Its final ascent through the drifts is up a one in four slope.

Gascoigne Wood, covering 158 acres, is highly automated, with a staff of fewer than 30 men to handle the stocking and loading of the coalfield's 10m tonnes a year.

It will be able, in emergency, to hold 250,000 tonnes, although its main buffer stock will be held in the covered stockyard, with capacity for a day's output of 43,000 tonnes.

This huge structure, the biggest single-span industrial building in Europe, is open at one end. It is here that the coal will be stacked and blended by two barrel reclaimers, manned by a single operator working in an overhead cabin.

For the next year or two, the coal will go straight to the smaller strategic bunker, which regulates the flow to the two rapid loading hoppers for filling the merry-go-round rail wagons.

Between the strategic bunker and the hoppers, the coal is checked for quality by automatic sampling. The strategic bunker and the hoppers, like the stockyard, are all one-man operations.

The wagons will be loaded by "flood filling" techniques as they slowly roll past at between 0.5 and 1.15 miles per hour. Each station will be able to load 960 tonnes of coal into a 30-wagon train in about nine minutes and to handle a train every 17 minutes. Each train will also be automatically weighed before and after loading.

It is now only a short run of about half an hour to the three major coal-burning power stations of Ferrybridge, Eggborough and Drax, each of which has an annual burn of about 4.5m tonnes.

The electricity authorities hope that eventually all the Selby coal will be burnt at Drax, whose capacity is being raised from 2,000 to 4,000 Megawatts.

Maurice Samuelson

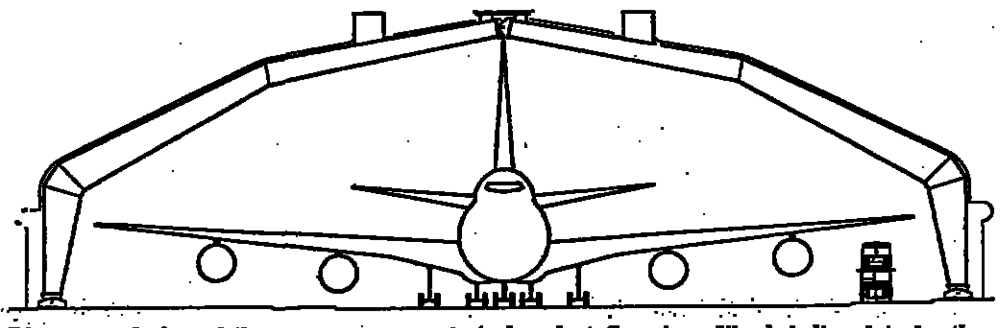


Diagram end view of the enormous covered stockyard at Gascoigne Wood, believed to be the largest single-span industrial building in Europe—a Jumbo jet and London bus are shown for comparison. Thirty people will handle stocking and loading of the coalfield's entire output.

Boosted productivity the target

CONTINUED FROM PREVIOUS PAGE

basically involves the concept of packaging materials, increasing the efficiency of material handling so that the men at the face know that they have enough supports and other equipment for at least seven metres of advance.

The solution to this—which grew out of the construction work—was the materials train system using big cars manufactured by GMT and Becorit to move materials and equipment from the surface stockyards. Such trains have been used in the heading work, a 15 tonnes payload taking in more than 20 feet of equipment for heading.

In the coal-getting operation the NCB believes it can run a pit with 15 of these big cars. On the surface the cars will be moved along rail tracks by multi-purpose tractors which can be used for other surface duties. The cars will be rolled into the cages for winding down the mine shafts at the bottom of which they will be marshalled in the pit bottom by battery-driven track locomotives using rubber-tyred wheels.

These mini-locos will make up in the sidings trains which will then be harnessed to more powerful diesels for transporting in the drivages. Each mine will have its own underground railway system with the diesels using a combination of rack and adhesion traction. Traction is provided by normal track adhesion on level and slightly sloping track—tracks in-seam will incline at an average of 1 in 17 across the coalfields as the seam dips to the north-east.

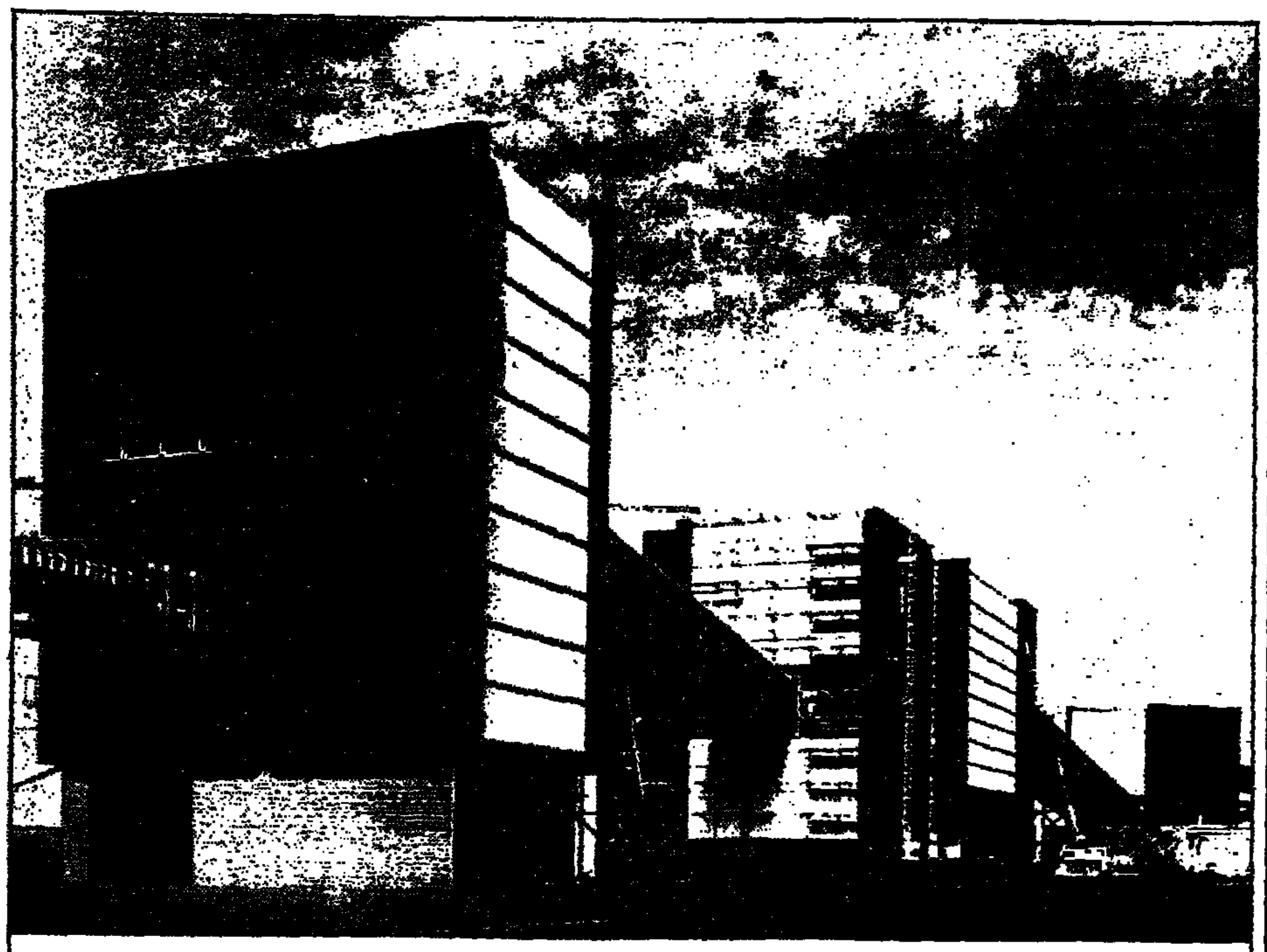
For the steeper gradients in the geological fault areas, however, an adaptation of mountain railway engineering comes into play with the use of a toothed-drive wheel on the loco meshing with a rack between the rails.

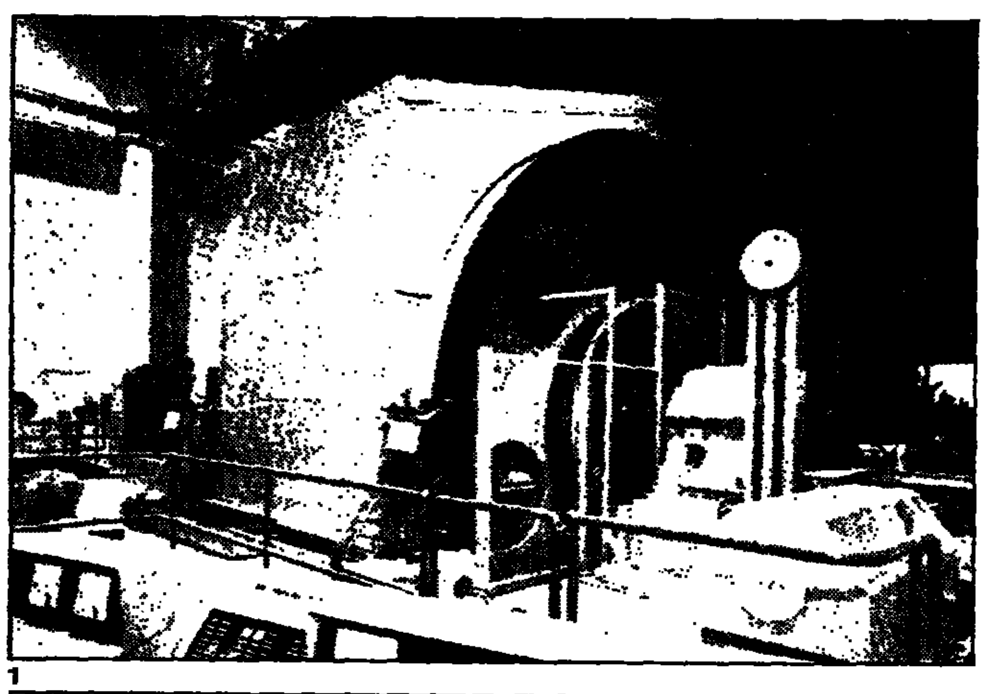
At each site, one shaft will be equipped with balanced cages for the winding of men and minecars. The other shaft will have a large cage capable of dealing with the heavier equipment, up to 16 tonnes weight in a single wind.

Nick Garnett

FROM EXPLORATION TO PRODUCTION

- 1904 Exploratory boreholes south of Selby suggest lack of workable coal seams.
- 1964-67 Five deep boreholes sunk by NCB reveal good seams north and east of existing Yorkshire coalfield.
- June 1973 Further Selby borehole provings announced.
- August 1973 Seismic exploration of reserves announced.
- December 1973 Bill Forrest appointed Deputy Director (Mining) in the NCB's North Yorkshire Area with special responsibility for the Selby exploration.
- January 1974 Most northerly proving of the Barnsley Seam confirmed at Naburn—seam 1.90 metres (6ft 3ins) thick at a depth of 680 metres (2,230ft).
- August 1974 Planning application submitted to work Barnsley seam.
- April-June 1975 Planning inquiry.
- April 1976 Planning permission granted "in the national interest."
- October 1976 Project inaugurated at Wistow by Duchess of Kent.
- June 1977 Ground freezing begins for first of the Wistow shafts.
- August 1977 Shaft sinking begins at Wistow.
- March 1978 Drift drivages begin at Gascoigne Wood.
- June 1978 Shaft sinking begins at Riccall.
- September 1978 Shaft sinking begins at Stillingfleet.
- April 1979 Wistow shaft reaches Barnsley seam.
- July 1979 Shaft sinking begins at North Selby.
- February 1980 Shaft sinking begins at Whitemoor.
- October 1981 Bill Forrest retires; succeeded by Trevor Massey.
- May 1983 Wistow mine starts production.





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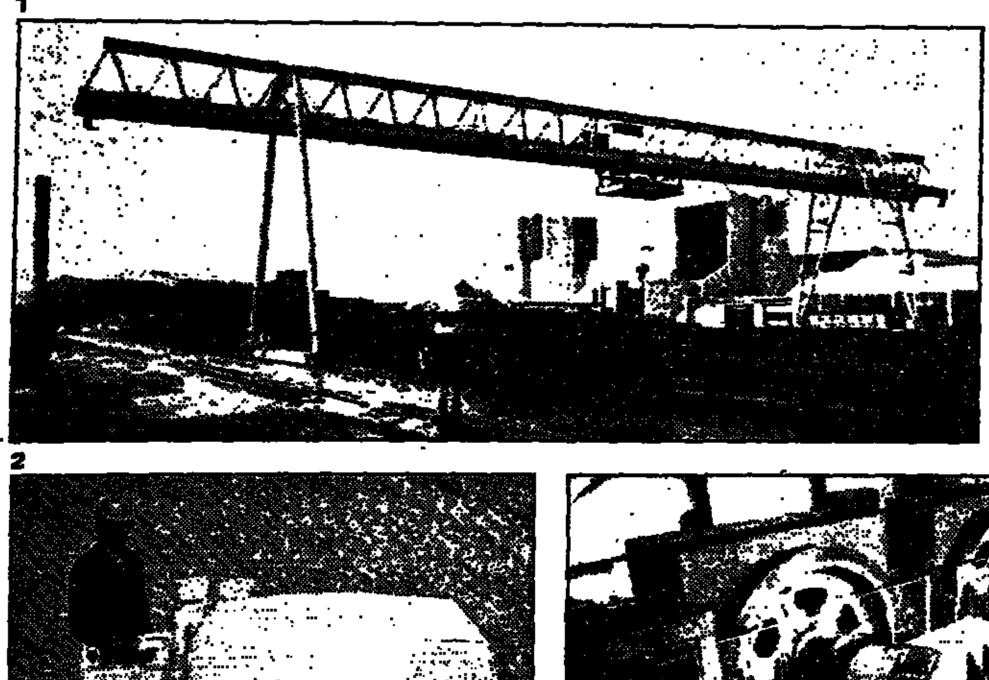

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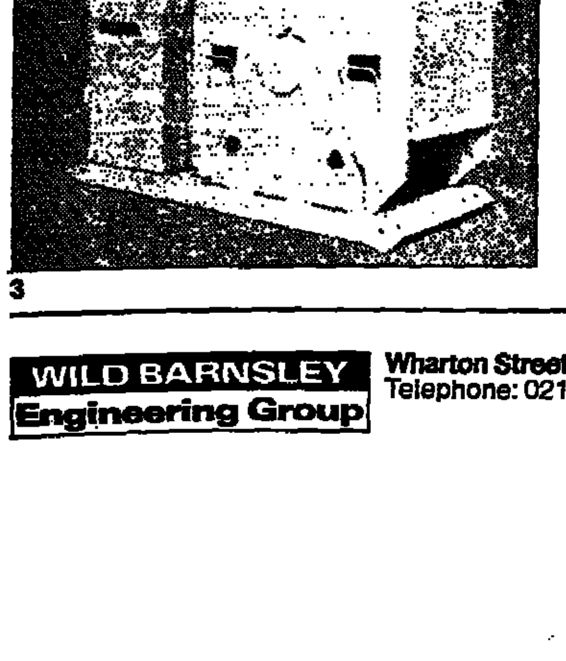

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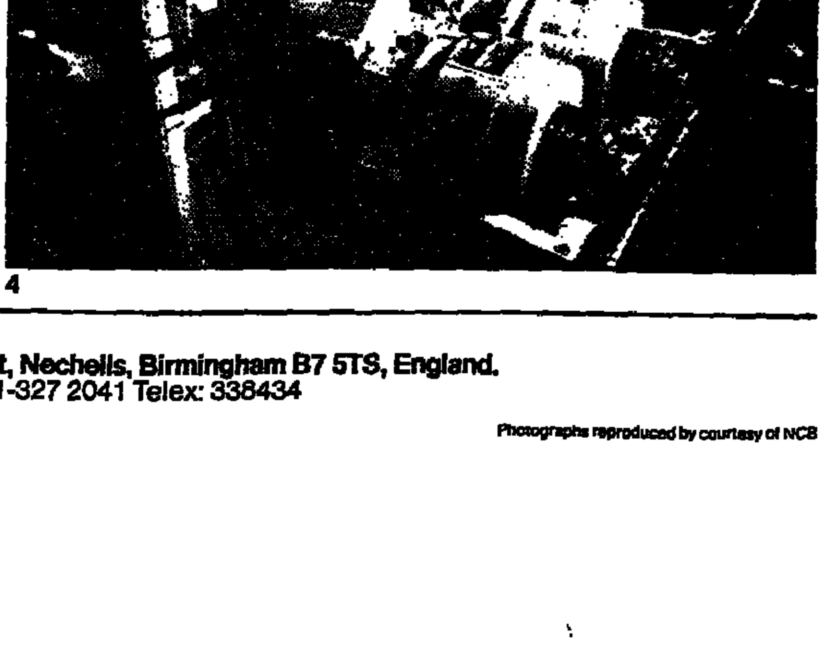


4

Different views on shape of the coal industry

THE ASSUMPTION by Mr Ian MacGregor of the post of chairman of the National Coal Board and his early and continued insistence on market realities, has sharply focused comment on the future of the coal industry.

Mr Arthur Scargill, the President of the National Union of Mineworkers, has described Mr MacGregor as a "butcher." Mr MacGregor has countered by calling himself a "plastic surgeon." Between butchery and cosmetics there lies a wide gulf—but both have as a prime objective the changing of shapes.

However, while the appointment has acted as a focus, the focus is a little misleading. First, the shape of the coal industry has constantly changed, because an extractive industry requires frequent burials and renewals to stay in business.

Second, the shape which Mr MacGregor will hack or mould out of the present configuration of pits and plants will be less his own than one whose parameters have been laid down by Sir Norman Siddall, the current and retiring chairman, by the harsh facts of the contemporary energy market and by the accidents of geology.

The energy market has been depressed for the past three years, but coal has been able to keep that reality at bay, first by enjoying a considerable price advantage over oil, but second and most important, by enjoying a considerable armlock over government, even a government as reputedly market-oriented as the present one.

That armlock enables the coal industry to persuade the Government to stop most imports of cheap coal coming into the country, and it also allows the Board to stockpile some 27m tonnes of its own and persuade the Central Electricity Generating Board to stock almost as much on its power station grounds. Thus the NCB has carried on producing, even though the power stations and the steel mills and the other users have not been burning.

Many have been the cries of "This cannot go on," but there are now signs that, indeed, it cannot. Stocks have reached spillover proportions after a mild winter and continued recession, the oil price is falling and international coal prices are way below UK coal prices. The market pressures are relentless.

The Coal Board knows this better than anyone, and Sir Norman has told the truth to the miners and everyone else sinc he took over. A Daniel in the lion's den of Mr Scargill's first conference last July, Sir Norman told the assembled delegates that some 12m tonnes of capacity lost the board £250m a year, and that had to go.

Mr Scargill, picking up this theme, used it as confirmation that the Board had a "hit list" of some 30 pits it wished to close. He added fuel to that fire by producing documents which pointed to some confirmation of this by showing that the Board—or at least its statistical department—had produced a "top 30" list of big losers.

Mr Scargill later extended his numbers, but the Board has consistently denied the existence of a central list—while continuing to keep up the pressure for closure of uneconomic capacity.

In a speech just before the mineworkers' ballot on industrial action against pit closures last month, Sir Norman spelled out once more the "deal" he wanted to offer the mineworkers. That was, co-operation in slimming down the industry in return for continuing high wages and generous redundancy benefits.

The defeat for the mineworkers' executive in the dispute propelled the union back into the consultative forums which they had previously spurned—but there is as yet no sign that Mr Scargill, or the dominant Left group within the union's leadership, mean to co-operate with the Board in reshaping the industry.

Reasons

There are many reasons for this refusal, not least an ideological one: the executive is solidly Left-wing dominated with a strong Communist influence. But the broader reason—the explanation for the remarkable degree of support which Mr Scargill receives for his policies and the present lack of an effective Right-wing challenge—is the shared opposition to the decline of the mining labour force, and thus to the power and influence of the NUM.

Anyone wishing to adumbrate a coherent Right-wing alternative to the Left would have to grapple with the difficult proposition of being less than wholly against loss of jobs.

There is little serious dispute that the loss of jobs and decline in the numbers of pits will be high over the next two decades—assuming that Mr Scargill and his executive do not succeed in stemming the tide of technological progress.

The marginal coal mining areas of Scotland, South Wales, Kent, Northumberland and Durham, and now North Derbyshire and Leicestershire, presently appear to have an extremely restricted future over the next two decades. Indeed, the last two will effectivly disappear in their present form, though Leicestershire's mineworkers—or some of them—will move to the new pit at Asfordby in the Vale of Belvoir.

Geology is the main reason here, though the collapse of the coking coal market as steel output plummeted has contributed greatly to South Wales' decline also. In the main, however, the seams in the peripheral area are thinner, the workings more difficult, the choices more restricted, than in the relatively richer Yorkshire and Nottinghamshire seams.

Market realities at Wistow's A1 face: Ian MacGregor talks to miners after the flooding this summer.

There is a good deal of coal in the peripheral areas, but its extraction is becoming increasingly costly. Price, not availability, is the main force for contraction.

Further, the steady and unspectacular march of automated equipment into British coal mines means both that the Board will need less human labour to extract the same amount of coal or more. Ominously for them, the NUM's executive members spent their last day in the London headquarters before the move to Sheffield discussing acronyms like MINOS and FIDO—new information systems for face work which will put miners behind consoles—and fewer of them.

A sign of the times is Mr Scargill's demand of the Board to sign a new technology agreement with the union: he wants shorter hours and earlier retirement for his members in return for working the new equipment. And while he insists jobs don't have to go, that part of the pitch—on evidence from other industries—doesn't appear too convincing.

The NUM executive recently considered a report by researchers at Bradford University, which forecast a mining labour force of 80-100,000 by the end of the century—a century in which they have numbered nearly ten times that amount.

This is what is staring the miners' leadership in the face—and while no union enjoys seeing itself wither away, the miners, with their particular history, their self-consciousness and the crucial role they have played in the political process, especially over the past decade, will take it especially hard. Mr Scargill is, in this sense, a fitting representative for this period of their history: his militancy, in distilled form, is all the reluctance of the conscious mineworker to see his era passing.

Yet what can he do? He has lost two nationwide ballots on industrial action in his first year, both by substantial margins. He has a membership which is increasingly dependent on high earnings because of new financial commitments, and he has an opponent—as he sees the NCB—which concedes a principal demand in advance: that mineworkers should be particularly well paid.

Perhaps Mr MacGregor will not show the same surefootedness he did at the British Steel Corporation (when he was dealing with a less militant union which had anyway just lost a major strike) and give Mr Scargill a chance to delay change. But it will only be a delay.

John Lloyd

PROFILE: ARTHUR SCARGILL

Tactical activist fighting the trend

THE OPENING of the Selby pit is a good time to make a brief review of the career of Mr Arthur Scargill, one of the most remarkable union leaders of his time. At 46, he heads—as President—the National Union of Mineworkers, and is easily the most identifiable of all the members of the TUC general council, though he is a relatively recent recruit to it.

Scargill started his political career in the Young Communist League in the 1950s, at a time when the Communist Party's influence and strength was dwindling rapidly. He reached the YCL's national executive, but soon left, later to join the Labour Party—though his fundamental political principles remain largely unchanged. He is still a Marxist fundamentalist who believes in a wholly nationalised economy.

Interestingly, he also believes in a proportional system of elections, arguing that only by achieving an absolute majority of those voting can Labour ever hope to usher in true socialism.

However, it was not his political but his organisational abilities which first brought him to national attention, and sent him shooting up the union's power structure. When the first post-war national coal strike got under way in 1972, Scargill was a pit delegate in the Barnsley area of Yorkshire. The Right-wing leadership there, like the national leadership, had never run a strike and had little idea of how to organise one.

Scargill, with some other activists, virtually commandeered the area offices, and organised large "flying pickets" to stop oil and coal being moved into power stations. The "battle" of Saltley coke works in Birmingham, extensively televised, put his image on the TV screens—from which it has since rarely been absent for long.

Arthur Scargill: principles unchanged

Later that year, he became area compensation agent and in May 1973 was overwhelmingly elected Yorkshire area president, at the age of 36. He played a conspicuous part in the miners' strike of 1974—though by that time, the national level was better organised, and the political manoeuvring in London more important.

Throughout the remainder of the 1970s and early 1980s, Scargill sat in his Barnsley "castle," increasingly lionised by the media, providing an effective centre of opposition to the Right-wing leadership of Mr Joe—now Lord—Gormley. Though Gormley kept control of the executive with apparent ease, Scargill was building up support beneath the executive—support which was crucial to his winning the National presidency in 1982, with a huge 70 per cent of the vote.

CONTINUED ON NEXT PAGE

SELBY COAL FIELD V

Falling demand is at the heart of the industry's problems

Intense rivalry with oil to meet energy needs

THE UK COAL industry is being both pushed and pulled by its mixed fortunes.

At first glance coal suppliers—helped by improved mining productivity—would seem to be doing well, regaining their dominant market share which they enjoyed until 1970 when oil became the country's leading primary fuel.

In 1981 the UK used 6.7 per cent more coal than oil on an energy-equivalent basis. Last year the two fuels were running neck and neck, with each supplying just over one third of the country's energy needs. In the first seven months of this year coal usage was again outstripping oil consumption by 5.5 per cent.

According to recent energy projections by the National Coal Board, the coal industry will maintain this lead. The Board reckons that during the present 1983-84 financial year demand for coal will account for about 110m-111m tonnes of the country's primary energy consumption of 308m-311m tonnes. Demand for oil, on the other hand, is expected to be between the equivalent of 106m and 107m tonnes of coal.

But the coal industry can take very little comfort from its apparent improvement in the fuel league table. For it has occurred largely as a result of the dramatic drop in oil demand—35 per cent since 1973—which in turn has risen through conservation measures, economic recession and fuel users' flight from oil (often to natural gas).

Coal producers have also been hit by falling demand although, from their point of view, the rot started to set in long before the 1973 energy crisis. UK coal demand hit a peak in 1956 when consumption totalled 217m tonnes. Since then consumption has been on the decline, to a little under 200m tonnes in the early 1960s, to 157m tonnes in 1970 and 123m tonnes in 1980.

Miners leaving a Yorkshire colliery at the end of the dayshift. Falling demand and investment in new projects like Selby threaten older mines

This long-established decline in demand is at the heart of so many of the industry's problems. For not only has the Coal Board had to invest in new, more cost-effective mines like Selby but it has had to shut down a great deal of its old colliery capacity which is clearly no longer needed.

Considerable pruning has already taken place over the past dozen years. For instance, between March 1971 and spring this year manpower fell from 286,400 to 202,700, the number of pits was cut from 292 to 191 and the number of producing faces reduced from 839 to 578.

But there is still a long way to go, as Mr Norman Siddall, the recently retired chairman of the Coal Board, pointed out last month. He said that during the current financial year the run-down in manpower, mainly through natural wastage and voluntary redundancies, was likely to exceed last year's figure of 10,174. Seven collieries were closed in 1982-83 and more than twice as many could be shut in the present 12 months.

Mr Siddall's successor, Mr Ian MacGregor, formerly head of British Steel Corporation, has been urged by the Government to return the industry to profit as soon as possible. (Last year the Board made a loss before grants of more than £475m.) That will mean further pit closures. At least 60 of the Board's 191 pits are expected to reach the end of their workable reserves by 1990-91.

Yet, on the more positive front, the Board is continuing to invest heavily in modern mining capacity while the miners repeatedly register new productivity records.

In the past nine years the Board has invested some £4bn under the Plan for Coal development proposals drawn up in 1974 by the industry, government and trade unions. That plan put the emphasis on the generation of 42m tonnes of new and replacement capacity by the mid-1980s.

Given the uncertain future for coal sales at home and abroad, that plan has been pushed to one side. Its target of an output running at 170m tonnes a year by the end of the century is now seen by industry leaders as fancifully optimistic. But the main thrust of the plan, the movement towards a more modern, profitable industry, continues.

Significantly, the Government has recently cleared the way for the controversial £400m development of a major mining project near the Vale of Belvoir, Leicestershire. This mine, to employ between 1,100 and 1,500 men, formed part of the NCB's proposal to open three pits in and around the Vale, one of the few unspoilt parts of the East Midlands.

The overall project was rejected by Mr Michael Heseltine, a former environment secretary, but then his successor, Mr Tom King, said he would not stop the Board developing one of the pits, Asfordby, near Melton Mowbray.

"We are jubilant," said Mr Jack Jones, Leicestershire area secretary of the National Union of Mineworkers. "We have moved from working a contracting coal field to an expanding one." In the past year he has seen employment in the ageing, and largely depleted Leicestershire coalfield fall by over 1,000 to less than 3,000.

Investment in new mines and mining equipment is a major factor behind improving productivity. Another contributor has been the successful introduction of an area bonus scheme to supplement miners' pay. The complexion of the workforce is also changing; the average age of miners is dropping rapidly and an increasing proportion of the men are buying their own homes.

As a result of all this 11 output records were broken in the 1982-83 financial year. Output per manshift averaged 10.10 tonnes, a 5.6 per cent increase over the previous year; in March the output was up to 11.2 tonnes. Attendance was better than in any year since nationalisation with the absence percentage throughout the year at 10.4, a full percentage point lower than in 1981-82.

And yet in spite of these encouraging trends the Board remains in deep financial trouble. It could be at least five years before it is back in the black. The industry's overall performance is still being dragged down by a long tail of uneconomic pits with roughly 12 per cent of its output losing £250m annually.

In addition the economic recession has depressed the demand for coal much harder than the Board had forecast, with the result that over 53m tonnes of coal—almost half a year's UK consumption—is now stockpiled.

With this in mind Mr MacGregor, insists that "my main job is to find customers for the coal." If he is successful he may break down the barrier that was first erected by Mr Arthur Scargill, NUM president, who said, at least initially, that he saw Mr MacGregor more as a "butcher" — out to hack at jobs and loss-making pits—rather than as a salesman.

Ray Dafter

UK PRIMARY ENERGY DEMAND
(million tonnes of coal equivalent)

	1973	1975	1980	1981-82	*1982-83	*1983-84
Coal	133	122	123	117	110	110-111
Oil	164	136	121	113	108	106-107
Natural gas	44	55	70	73	71	71-72
Nuclear	10	11	13	14	17	19
Hydro	2	2	2	2	2	2
Total	353	326	329	319	308	308-311

* Estimate. Source: National Coal Board

NCB's SALES AND PRODUCTION
(m. tonnes)

	1981-82	1982-83	1983-84*
SALES			
Power stations	82.0	86.2	80.9
Coke ovens	8.4	7.6	7.8
Industry	8.7	8.8	9.2
Domestic	8.0	7.3	7.3
Others	3.7	3.6	3.6
Exports	9.4	7.1	7.5
Total	120.2	120.6	116.3
PRODUCTION			
Deep mines	108.9	104.7	106.2
Opencast	14.3	14.7	14.0
Licensed mines	1.1	0.3	1.3
Total	124.3	119.7	121.5

* Estimate.

Fighting the trend

CONTINUED FROM PREVIOUS PAGE

He took over in uncompromising style, promising a complete break with the past and encouraging a series of militant resolutions at his first conference in Inverness last June. The all-important wages resolution committed the executive to seek wage rises between 26 and 31 per cent—a massive level at a time of falling energy demand (and falling inflation).

Relations with the Board soon drifted into virtual impasse, with joint meetings ending in a highly publicised walk-out in one case, or in acrimony as Scargill demanded a "hit list" of pits which the Board claimed it did not have. The wages offer—of about 7 per cent—was naturally rejected, but a ballot vote to fight for it and against closures was heavily lost (61-39 per cent).

A second ballot earlier this year, on the closure issue alone (into which Scargill was forced by a sit-in at a closing Welsh colliery) produced exactly the same result, and has led to a radical change in attitude, though not in rhetoric or long-term position. This year's wage claim has named no figure and the NCB's first and "final" offer of 5.2 per cent is unlikely to meet a militant challenge.

Scargill himself has not changed, and the low profile is a tactical ploy. He and his union have withdrawn to Sheffield, where he feels more at ease: he will certainly aim to prove once more that the mineworkers are industrial and political giants. The trends, however, are against him, and he must do much by will alone.

Though a flamboyant orator, and much pilloried for his Barbican flat and Daimler car, Scargill is personally rather austere. He works or addresses political meetings continually, rarely appears to relax and is not a man in the miners' tradition of hard drinking and heavy smoking.

Sharp, sarcastic and guarded in public, he can be both hilariously funny (as a mimic) and charming in private.

His permanent home, where his wife and daughter live, is near Barnsley and is a medium-sized detached house. He keeps his private life rigorously private, never projecting his family into the public gaze as did his predecessor, Lord Gormley, with his wife Nellie.

John Lloyd

SELBY COAL FIELD VI

Difficulties have been overcome by close teamwork

Management successes based on partnership

Trevor Massey: weekly meetings.

EVERY CHRISTMAS for the past seven years, Mr Michael Eaton, North Yorkshire area director of the National Coal Board, has been bringing the house down with his after-dinner speeches in a Yorkshire country hotel.

The popularity of the dinner is a testimony not only to Mr Eaton's eloquence but to the success of the Selby project as a partnership between the Coal Board and its outside consultants and contractors.

The dinners are arranged by W. S. Atkins and Partners, consulting engineers for all the surface aspects of the Selby project. The guests include top managers from the NCB, architects, quantity surveyors and a host of engineers.

Some of the contractors represented at the dinner usually see each other as bitter competitors. But according to one of the recent participants, their differences have been submerged by their awareness of the scale of the project, the problems it has presented, and the credit it is bringing to British industry.

W. S. Atkins says it was brought in as consultants because Selby was the first virgin territory to be exploited by the National Coal Board and because of the complex environmental difficulties which had to be surmounted to win planning permission.

The company is no stranger to very big projects. Among those with which it has been involved are British Steel's Redcar works; the Drax power station and its extension; the M11 motorway and parts of the M25.

Its biggest scheme so far, costing three times as much as the Selby coalfield, is the SNS steelworks in Algeria.

Atkins' involvement at an early stage in Selby is one reason given by Mr Ken Drobig, its director of UK projects, for the creation of what is effectively a joint integrated team consisting of men from Atkins and the NCB. At the latest count, 56 men are based in the Selby area, headed by Mr Peter Hammond, project director.

There is a further reason for the fact that the team spirit is still strong even though there are now far more contractors than in the early years. This is because, as Mr Michael Eaton put it recently: "As the project gains momentum there is more good news."

He is referring mainly to the beginning of commercial coal production which, after some delays, is starting to ease the whole project's cash flow. "On some parts we are a year behind and in some parts we are two years behind. But for the past three years we have been catching up and may beat that final deadline for full production," he said.

The longest delay has been at Selby where the men sinking the shaft struck very strong water pressure 500 feet down. To pay for this delay, additional coal is to be extracted from the four other mines although this cannot be done for very long.

The responsibility for solving all these problems and ensuring that physical and financial targets are met falls on Mr Trevor Massey, Mr Eaton's deputy, who took charge in October 1981, following the retirment of Mr Bill Forrest, the project's first director.

Meetings

One of the few men who can see the state of the entire project at any one time, Mr Massey is assisted by a special team of NCB engineers working alongside the main contractors and who provides a lot of technical input. Above them is a representative of the board's technical staff.

Elaborating on the management structure, in the March issue of the magazine "Achievement," Mr Massey said that because of the many elements of the project, involving multi-contract electrical, mechanical and civil engineering work, it was found very effective to have weekly meetings with all the contractors.

In addition to being progress meetings they were also "commitment meetings to get the end result right." This often involved one contractor allowing another on to the same site.

Mr Massey also brought about changes in the organisational structure to take account of the beginning of coal production. "Previously the project had been run in isolation from the NCB's area organisation because of the absence of a mining element. When I arrived that element had started so we have now become far more integrated into the area in preparation for the many services that will be required," he said.

The close integration of the Atkins team is due largely to the fact that it was brought in sufficiently early to influence the project.

Mr Fred Roulston, Atkins' sub-project manager at the Gascoigne Wood drift site, is among those brought in after the 1974 public inquiry. At that time, the Atkins engineers were given their brief for the handling of the coal on the surface by Mr Forrest, who had set up the NCB project management team at Allerton Bywater, the North Yorkshire area headquarters.

Atkins' early work for the Gascoigne Wood site centred on the phasing of the development contracts and then breaking them down into "packages," which ensured that too many contractors were not working at any one time.

The main packages involved opening up the site roads; civil engineering for the run-of-mine facilities, the two drift conveyor drive houses, the stockyard, and the foundations. The contract for Gascoigne Wood's amenity block, stores and electricity sub-station were dealt with separately at an early stage.

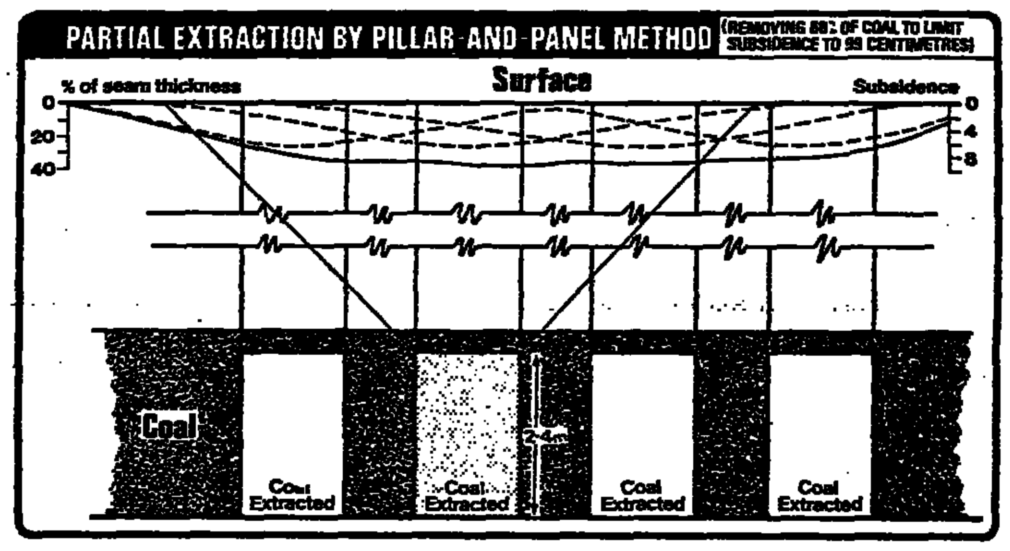
The quality surveyors for the Gascoigne Wood site were Wakeman Trower and Partners, Leeds office, with another Leeds partnership, Faithful and Gould, providing similar services for the five shaft sites associated with the project. Architects for the scheme were Shepherd, Ross and Hickling of Wakefield.

In choosing its own project managers, Atkins says it preferred to pick "the right man of experience" and to "put men before computers rather than stick to management control systems."

Atkins also instructed its design teams to control costs by monitoring them as they were revealed on their drawing boards.

One innovation for which Atkins claims credit concerns insurance for contractors. On winning a contract, engineering companies usually take out their own all-risk policy. In this case, a blanket insurance scheme was worked out by Atkins with a consortium of seven insurers and each contractor had to take out the same insurance contract under identical cover.

Maurice Samuelson



Computers monitor the system

"THE MINES are absolutely stuffed full of microprocessors and sensors," Mr John Blackwood, electrical systems engineer for North Yorkshire, said. The National Coal Board has spent more than £20m on the computer hardware and electronics that are used to monitor and control much of the mines operations.

The heart of the computer system is at Gascoigne Wood where all the coal is extracted. Not only does this system monitor the operations of the drift mine but it can also take information from the individual computers at any one of the five shaft mines in the coalfield.

It can provide management with long-term trends on coal production and the performance and maintenance requirements of the coal-cutting machinery and the conveyors which remove the coal.

The computer system which has been installed by Westinghouse Brake and Signal, part of Hawker Siddeley, runs MINOS software developed by the NCB's own research department. MINOS stands for Mine Operating System. It is basically a set of programmes which can be used to run various aspects of coal mining.

Though MINOS has been introduced in several other mines, it has not been used on such as scale as the Selby project before. Indeed it would be difficult to co-ordinate all the mining operations such as the starting up of conveyors in the correct sequence without computers, especially as the entire coalfield will employ only 4,000 people.

The complete computer system consists of six control centres—one for each mining site—operating 29 computers linked to a total of 380 outstations for monitoring plant and machinery. At each control centre is an operator's console with colour visual display units, DEC PDP 11 computers and Wesdac telemetry master stations connected to underground stations.

The main functions of the centres are control coal clearance from the working faces to the bunkers and conveyors, control and monitoring of the underground environment and control of fixed plant and other ancillary equipment. The same computer controls both the coal clearance and conveyor controls.

Warnings

The individual control rooms monitor sensors at key points around each mine site. The computers have the ability to turn off equipment or power if, for example, there is a build-up of methane gas. Even before it reaches such a dangerous level, warnings will appear on the visual display units in the control room, and ventilation is increased to remove the problem.

One of the computers at each centre acts as a standby to the three primary systems. Another machine gathers and processes information from the main control system to present local management information such as coal production figures, maintenance schedules, timekeeping and machine failures. All the data gathered at the computer centres at the five shaft mines is also sent to the overall computer management system at Gascoigne Wood.

Even the axial flow fans which provide shaft ventilation are linked to the computer for remote control. The first set of computer-operated fans was installed at Wistow as part of a £2.75m contract won by James Howden. This includes identical installations at two other shafts.

Monitoring devices such as for airflow, pressure, temperature, vibration, fluid levels and pressures, fire detection and actuator position are fitted to each fan and linked to the computer. The fans are fitted with autovariable pitch mechanisms so that airflow can also be altered by the computer.

Also at the Wistow mine, the NCB ran tests of a computerised stock control and maintenance system which could be expanded to cover all the other Selby sites if it proves successful. In this case the NCB has chosen an IBM computer.

Apart from the central control unit, microprocessors appear in much of the machinery such as the coal face machine which basically consists of a shearer which cuts the coal from the seam at the face and at the same time loads it on to a steel conveyor along the face.

Only one operator accompanies the cutter on its run. His main task is to keep the cutter in the coal seam though this can be done automatically with some of the machines. A microprocessor can detect the natural gamma radiation from the rock strata above and below the machine and adjust the cutting head accordingly.

The equipment for one face alone costs about £4m and each of the five mines will have at least four faces. The computer and ancillary equipment totals some £20m.

The 4,000 people that Selby will employ when fully operational is quite a small number considering the total size of the coalfield. Environmental monitoring has therefore become an important factor and Selby is stuffed full of sensors to check for any possible hazards to life through gases and fire. The NCB is proud, and rightly so, of its safety record.

Environmental parameters such as methane, carbon monoxide, smoke, air flow, temperature, humidity, are transmitted to the surface at various mine sites and retransmitted to the Gascoigne Wood drift mine control centre for weekend and holiday periods.

Elaine Williams

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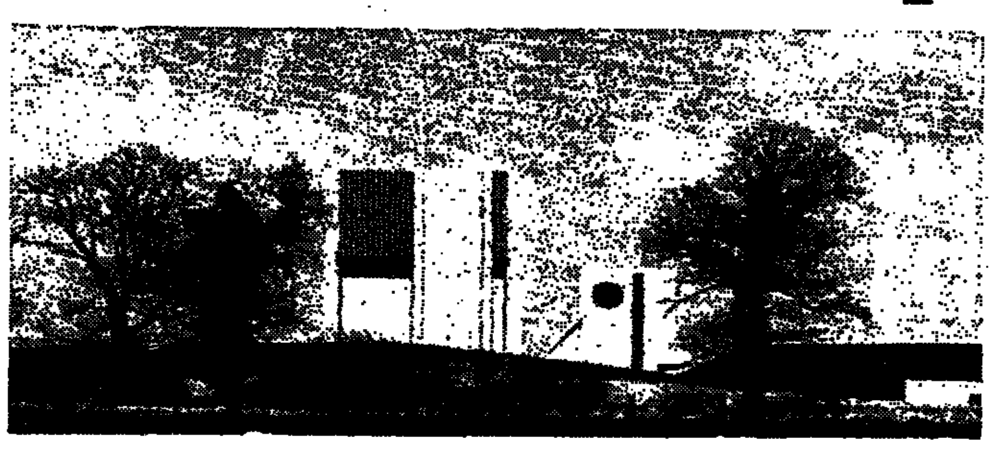
SELBY COAL FIELD VII

Huge efforts have been made to ensure that the surface sites and workings themselves are as unobtrusive as possible

Blending with the landscape

DURING THE public inquiry into the Selby project in 1975, both the Coal Board and the local authorities agreed that it should cause the minimum inconvenience and disturbance to the area and those who live there.

The result is likely to be recognised by future generations as the most self-effacing coalfield ever developed. No ugly mounds of coal or spoil will dominate the landscape or contaminate the air with dust; the winding gear of the five mine shafts, telltale monuments to the coal industry all over the world, will be encased in special buildings; the shaft site buildings will be limited to a height of 98 ft, compared with 180 ft in some coalfields; and the coal will all be taken away by rail direct to the power stations.



Pithead buildings at Wistow, a complete contrast to the stark and ugly buildings at most older pits.

The buildings around the mine shafts have been developed with the intention of blurring the difference between industrial and non-industrial architecture.

The drift mine site at Gascoigne Wood, which contains the most plant-oriented buildings, such as the bunkers and huge storage shed, has been specially chosen not just because of its proximity to the railway, but also because of its relative remoteness from habitation. Even so, it is partly concealed by landscaped embankments.

Another change, which has already been completed, is the opening of new rail track to divert part of British Rail's East Coast main line from London to York. Without it, the Coal Board would have been unable to mine 70m tonnes of coal which lay below the original stretch of track.

The first length of main line track to be built in Britain this century, it had to have parliamentary approval and cost £60m to build. The Coal Board claims that it is more suitable for high-speed inter-city trains than the stretch it replaced.

All these are minor factors, however, compared with the subsidence which is an inevitable consequence of deep mining. Local people feared it would weaken the fabric of buildings, including the 12th century Selby Abbey, the town's main landmark.

Even more worrying was that of the River Oouse flooding both in the town itself and the rich, flat farmland which covers the coalfield.

The Coal Board therefore accepted the inquiry's ruling that the mining should be carried out in such a way to limit subsidence to 99 centimetres. This, it said, must be the reasonable maximum which could not be exceeded without the consent of the North Yorkshire councils planning officer.

The Board will limit the subsidence by using the "panel and pillar" method of partial extraction which enables the NCB engineers to achieve a regular pattern of fairly even subsidence over a wide area. The pattern will be broken by the pillars of coal which will be left to support special features such as access roads, and the foundations of Selby Abbey. As a result the Coal Board can extract less than half the 600m tonnes available in the coalfield's rich Barnsley seam.

Despite the limitation of subsidence, this still leaves a wide range of problems both for farmers and for the water authorities.

Drainage

Subsidence quickly begins to affect the drainage of fields, causing ponds to collect where they are not wanted, upsetting the existing pattern of drainage and disturbing arterial water courses. New drains cannot be laid out until subsidence is completed, but in the meantime flooding can be counteracted by the installation of pumps, by local drainage boards.

In the Wistow area, five small pumping stations have been designed for installation in the next five years.

But while work in the fields can be delayed until the subsidence is completed, work on river banks has to be carried out in advance of the subsidence so that flooding is prevented.

This means immediate attention to the defences of the River Ouse, Yorkshire's major waterway, which snakes its way through the site of the new coalfield and the centre of Selby town.

The Ouse, with a catchment area of 3,100 sq km, is tidal as far inland as York and the level of its bed can rise or fall by more than 1 metre a year because of silt.

At Selby, the spring tide levels can range between three and 16 feet, compared with a four feet range at York and up to 20 feet at Goole.

The brunt of these problems falls on the Yorkshore Water Authority, which had been trying to strengthen the defences of the Ouse since the 1960s because of an apparent rise in annual tide levels.

Its engineers also draw on 50 years of experience coping with subsidence in the Doncaster mining area which in some places can be up to four metres. The River Don improvement scheme, undertaken over a 20-year period before the Second World War, was the first project of its kind in Britain. The Authority sees the works on the Ouse as a similar challenge.

By the time the Coal Board's application to develop Selby had been submitted in 1974 the Authority's tidal defence works on the Ouse approached Selby town and defences in the town itself had already been raised.

The prospect of the land—and the river banks—subsiding by another metre meant that the river's defences had to be quickly raised by at least that amount.

The first danger point was in the vicinity of the Wistow mine, where the effects of subsidence will start to be felt in about a year. The Authority will raise the Ouse's banks in this area with silt dredged from the river bed.

In the autumn work will also begin on building a three-mile-long inland embankment. This will serve as a second line of defence should the Ouse flood the area contained by the large bend immediately upstream from Selby town. The embankment will be up to six metres high in places. Because of mining subsidence the Coal Board will pay for the equivalent of one metre of its thickness.

It will consist of earth and "run-of-mine" material brought from the Wistow mine and take two years to complete. It will cost the Water Authority £3.3m and the Coal Board £1.3m.

The embankment will not only protect two-thirds of the farmland between Wistow and the Ouse but will also prevent Selby town from being flooded from the fields behind it.

Mr Guy Rukin, in charge of the Yorkshire Water Authority's rivers and land drainage division, says the threat of Selby being flooded had been at the back of his mind for 10 years. By raising the banks in the town centre, the authority had already sealed its front door and the embankment across the fields would now seal its back door as well, he said.

"We would have wanted to build this embankment anyway," he says, "but our minds were concentrated by the start of coal mining and by last year's flooding danger." (Although the river overflowed its banks they were not breached, he stresses.)

Later, further flood defences will be required on the other side of the Ouse when mining starts at Riccall, Stillingfleet and other pits in the Selby field.

Maurice Samuelson

Careful architecture

A CASUAL passer-by could mistake the group of ochre buildings near Wistow, in the Vale of York, for a department of a university or modern research establishment.

The cars are lined up in the forecourt in apple-pie order, and the nearest buildings are screened with trees and neat grass verges. The only unusual features are some bigger buildings in the rear from which one hears a low, constant hum. But thanks to their pale colouring they neither spoil the skyline nor dominate the flat surrounding landscape.

The buildings at Wistow represent one of the five sites from which miners will descend to work the Selby coal field. The others are at Stillingfleet, Riccall, Whitemoor, and North Selby.

A few miles away, at Gascoigne Wood, where the Selby coal reaches the surface and is loaded on to merry-go-round trains to the power stations, the huge storage shed makes a much larger dent in the skyline. But here, too, the effect on the environment has been softened by subdued colourings and contours of the buildings, the sheer remoteness of the site, and the grassy mounds which screen it from a distance.

New standards

Clive Crawford, a 39-year-old Cambridge trained architect, who has been involved with the design for the Selby project for the eight years, says it sets "a whole series of new standards for the coal industry" and talks of the need to "blur the differences between industrial and other forms of architecture."

Crawford first became involved in the project when working for Sheppard Fidler, of Epsom, in the mid-1970s and took part in the 1975 public inquiry on it.

When he moved to Fletcher Ross and Hickling of Leeds, Crawford retained the responsibility for designing the surface buildings of the five shaft sites. The Gascoigne Wood design work remained with his old firm, now called Atkins, Sheppard Fidler.

In developing architectural design for the buildings on the sites, Mr Crawford says there were two over-riding objectives:

- To generate a series of buildings which in form, silhouette and massing, are reasonably sympathetic to the rural environment.
- To use a limited range of materials and details "to apply a similar architectural vocabulary to all the buildings on the sites and achieve a consistent image around the sites."

The designs and layout of the shaft sites represent a compromise between their functions and the demands of their surroundings.

The largest shaft-site building is the friction winder tower located over the downcast shaft at Wistow, and over the upcast shaft on the other sites. Its height was limited, in the planning consent, to 96 ft 8 in or less.

In designing the friction winding tower, Mr Crawford says he aimed to break up its large volume "to create a building which is interesting both in plan, form and silhouette."

The result of this approach is the mixture of flat and pitched roofs and the masonry gable walls contrasting with ribbed aluminium sheeting which are used both on the roofs and for wall cladding.

However, the colours vary considerably from one site to the next. At Winslow and Whitmoor, the masonry consists of the ochre concrete blockwork called Forticrete Yorkstone; at Riccall it is golden brown multi brickwork; at Stillingfleet smooth red brickwork; at North Selby it is red brown multi brick work.

The internal layout of the sites—and especially of the amenity buildings — takes account of the miners and surface staff who will use them.

The amenity buildings, Mr Crawford says, are broken down into pavilions of single-storey accommodation linked by a "communication spine" marking the miner's route from his car to the downcast shaft.

It passes through the "clean" accommodation — offices, canteen, control room and so on —through the bath houses, and then to the "dirty" accommodation, including the lamp room and pithead offices.

In contrast with the shaft site buildings, those at Gascoigne Wood, where fewer than 30 men will work, are predominantly plant-oriented. Atkins Sheppard Fidler (ASF) sought to solve the problems on the 168-acre site by judicious use of landscaping, shape, colour of cladding and by planning routes to ensure that people, coal and vehicles could move about the site, and the railway wagons could be serviced, all quite separately without conflicting.

Planning constraints laid down that the buildings could be no higher than 22 metres high; all the spoil from the mine development had to be used for landscaping (the first time this has been done in Britain); and the main stockyard had to be covered.

A key decision, says ASF's Michael Jefferies, was to use only three or four materials throughout the site.

Most of the buildings are clad in plastic-coated metal sheeting and glass reinforced concrete.

Maurice Samuelson

Solving problems for benefit of the community

THE IMPACT of the mine development on local communities and North Yorkshire's economic infrastructure is one of the imponderables in the whole scheme and one which will only become clear as the 1980s progress.

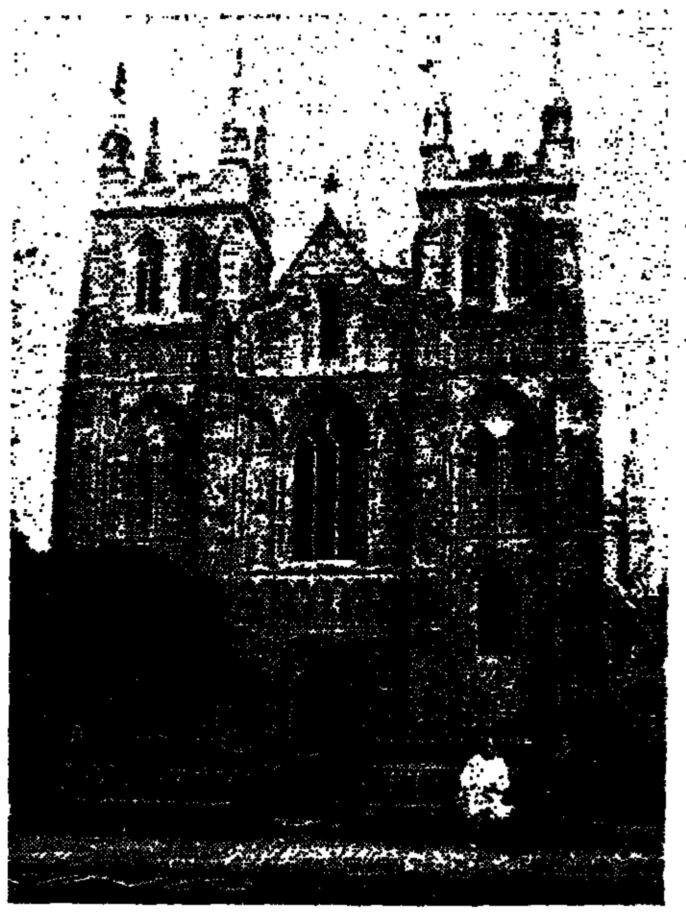
However, some effects have already emerged and many of the overall benefits and some of the potential problems for which solutions might have to be sought are known.

In a nutshell, the development means new housing programmes, the attraction of some companies to service the NCB project, greater pressure on local authority services—many of which were already earmarked for expansion — a stimulus to shopping and other service trades, and the eventual emergence of miners' dependents for whom new employment will have to be found.

The impact of the development will be minimised by two facts. One is that most of the 4,000 miners who will be working at Selby will come from the older West Yorkshire mining areas around Wakefield, Dewsbury and Leeds, and some of these will keep their homes there. There will be some local recruitment for miners and mining trainees though as well as canteen, secretarial and engineering staff.

The other is that some companies which service the NCB are located in West and South Yorkshire and will not wish to move to North Yorkshire.

Every six months the NCB has been holding a public forum. It has an information centre at Selby and its officials regularly talk to parish councils. This is on top of a series of structural meetings between the Coal Board, local authorities, the water authority and British Rail on environmental issues. Underneath it all too is a considerable amount of joint planning on housing requirements between the NCB, local authorities and housing associations.



The abbey in Selby. The town's population could go up by half, some planners believe

A research team under Prof Kathleen Jones, head of York University's Department of Social Administration, studied the project for three years but had its research effectively halted by the Department of the Environment which had commissioned the study. The team appeared to have been moving to the conclusion that local authorities needed the protection of central government in their dealings with the powerful NCB. The research project, however, was scrapped before its views could be tested.

Mr Michael Cuft, North Yorkshire County Council's industrial development officer, says the project will inevitably lead in the long term to a significant increase in the available labour force which will not necessarily be mopped up by the coal field.

"The problem is managing growth in a rural area and coping with the economic well-being of such a big influx of people," he says.

The Coal Board says that up to now it's been "more of a marriage than a take-over" and that's the way it wants it to remain.

Some of the first and most tangible effects of the project are being seen in housing. The NCB and the local authorities have a policy of dispersing the newcomers, though Selby, Sherburn-in-Elmet, and the southern outskirts of York will probably take the biggest concentration of new families.

"Integration" is partially designed to prevent the development of sprawling miners' housing estates as at nearby Knottingley more than 20 years ago.

It is thought that a third of the miners will travel daily from their existing homes outside North Yorkshire though this is expected to decrease gradually. A requirement for 1,000 new homes for renting—split equally between the local authorities and housing associations with some NCB financial assistance — was identified initially.

The Coal Board and the local authorities however were working on the basis that demand was likely to be one privately-owned house for every one for renting. It has so far turned out to be two privately-owned to every one rented. So companies like the house builders Barratts appear to be doing well.

The North Yorkshire structure plan already envisages the building of 3,800 new houses in and around the Selby area between 1977 and 1991 to cope with population changes and altering demand, and 9,300 in the whole of the area from south of York to the north of Doncaster.

Some planners think the population of Selby and the three surrounding parishes—now 20,000—could go up by as much as a half. A new 30,000 sq ft shopping centre has been planned for some time at Selby and there has been a long-term demand for a new library there which is being met. The character of the Selby area may change noticeably.

Some new companies which start up or expand to service the coal field or to use and convert its products may well come to the private 40-acre enterprise park at Sherburn-in-Elmet. In and around this centre are already a new J. Bibby animal feed mill; an Elco Power factory and the KwikSave distribution outlet at a nearby plant formerly owned by Avery.

The NCB says some local industries feared that the development would push up wage rates but that has not happened so far.

Nick Garnett

Meeting a challenge

PROFILE: TREVOR MASSEY

"I do not know anything more exciting than a team of men at a coalface working right," says Trevor Massey, 48, the mining engineer in direct charge of the Selby development since he was appointed Deputy Area Director (Mining—Selby) in September 1981.

Mr Massey's love of the technical aspects of mining emerges strongly, as does his belief that someone in his position overseeing such a huge project should ge out and about as much as possible to where the action is taking place.

As a colliery manager in the 1960s—after gaining a first-class BSc degree at Leeds University—Mr Massey pioneered the high-speed retreat mining system for the NCB.

"In doing any job I have never found a better way than physically seeing as much as possible. I have tried to keep as many mornings free as I can to see sites.

"The challenge is to show that with a new mining complex and the management, men and machinery we can do as well as anyone in the world. I like to keep my mind open and believe that we don't know what the ultimate that is achieveable really is."

One of his biggest tasks given the size of the project and the number of contractors involved, is to take an over-view and see where what he calls the "pinch points" might arise.

"This project is different from managing an area of pits because in routine mining you tend to face repetitive problems. Here we must be prepared to face new problems. From time to time we get very testing periods."

One of them was the flooding crisis which hit Wiston this summer.

Contacts with local communities and their local authorities, and the job of settling people's minds on the impact of the project on the area has been an important part of the work, he says, but he is "very much a production man."

Trevor Massey lives in an old manor house with hens and some bees at Hemsworth near Pontefract. But he says he has no hobbies and it is the Selby development which has dominated his life over the past two years.

"My intention is to get the job done, and as quickly, cheaply and efficiently as possible."

M.S.

PROFILE: DEREK ELLIS

Derek Ellis: heading a team of 14 project engineers

As the area deputy chief engineer responsible for Selby, Derek Ellis, 46, is the link between Trevor Massey, the man in charge of the project, and the site representative of the NCB's numerous outside consultants.

In this capacity, Ellis heads a team of 14 NCB project engineers, occasionally taking time off to show the sights to journalists and other authorised visitors.

He enthuses quietly over "the tremendous morale" of all those involved in the development and speaks respectfully about the older Coal Board men who sketched the broad outlines of the scheme more than a decade ago in a flash of joint inspiration.

The son of a North Wales mining family, he left school at 16 to join the Coal Board as one of the first indentured apprentice electricians in his area.

He spent 17 years working underground, combining the first seven with attendance on a day release course at Denbigh College where he collected certificates in electrical, mechanical and mining engineering.

In the mid 1960s he left North Wales for North Nottinghamshire, rising to the post of group engineer for five pits. His next stops, before reaching Selby, were at Kent and at Doncaster.

His career thus ranges from some of Britain's oldest pits to its newest. Not all today's miners can expect the mobility of a qualified professional like Ellis. But it says a lot about the way that Britain's coal industry is evolving, showing that while there is bad news for some miners, there is plenty of good news for others.

N.G.